



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

MORROW COUNTY AGRICULTURAL SOCIETY
MORROW COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023



65 East State Street
Columbus, Ohio 43215
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800-282-0370

Board of Directors
Morrow County Agricultural Society
P.O. Box 168
Mt. Gilead, Ohio 43338

We have reviewed the *Independent Auditor's Report* of the Morrow County Agricultural Society, prepared by BHM CPA Group, Inc., for the audit period December 1, 2022 through November 30, 2024. 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 Morrow County Agricultural Society is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 02, 2025

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MORROW COUNTY AGRICULTURAL SOCIETY
MORROW COUNTY
For the Fiscal Years Ended November 30, 2024 and 2023
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INDEPENDENT AUDITOR'S REPORT

Morrow County Agricultural Society
Morrow County
P.O. Box 168
Mt. Gilead, Ohio 43338

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 Morrow County Agricultural Society, Morrow County, Ohio (the Society), which comprises the cash balances, receipts and disbursements as of and for the years ended November 30, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, or the changes in financial position 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.

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 June 30, 2025, 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.
Portsmouth, Ohio
June 30, 2025

Morrow County Agricultural Society
Morrow County
Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended November 30, 2024

Operating Receipts

Taxes	\$1,038
Admissions	290,190
Privilege Fees	69,401
Rentals	80,278
Sustaining and Entry Fees	11,650
Pari-mutuel Wagering Commission	445
Other Operating Receipts	26,401

<i>Total Operating Receipts</i>	<u>479,403</u>
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Operating Disbursements

Wages and Benefits	63,024
Utilities	31,030
Professional Services	131,319
Equipment and Grounds Maintenance	30,433
Property and Rent Services	97,414
Race Purse	109,710
Senior Fair	14,808
Junior Fair	22,096
Capital Outlay	134,949
Other Operating Disbursements	44,694

<i>Total Operating Disbursements</i>	<u>679,477</u>
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<i>Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements</i>	<u>(200,074)</u>
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Non-Operating Receipts (Disbursements)

State Support	166,917
Local Support	15,000
Donations/Contributions	195,813
Investment Income	21,085
Sale of Assets	300
Debt Service	(2,229)

<i>Net Non-Operating Receipts (Disbursements)</i>	<u>396,886</u>
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<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	196,812
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Cash Balance, Beginning of Year	<u>596,372</u>
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<i>Cash Balance, End of Year</i>	<u><u>\$793,184</u></u>
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The notes to the financial statements are an integral part of this statement.

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2024

Note 1 – Reporting Entity

The Agricultural Society of Morrow (the Society), Morrow 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 a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1850 to operate an annual agricultural fair. The Society sponsors the week – long Morrow County Fair during August/September. During the fair, harness races are held, culminating in the running of the Morrow County Fair Harness Racing. Morrow 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 Morrow County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds and simulcast activity occurring at other locations relating to the harness races. This includes the annual fair, harness racing during fair week and simulcast relating to harness racing. Other year-round activities at the fairgrounds include facility rental, track and stall rental, and community events including a July 3rd Celebration. The reporting entity does not include any other activities or entities of Morrow County, Ohio.

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

Public Entity Risk Pool

The Society participates in a public entity risk pool. Note 5 to the financial statement provides additional information for these entities. The Society's management believes these financial statements present 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 presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2024

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.

The Society invests in Certificates of Deposits which are valued at cost. Money market mutual funds are recorded at share values the mutual funds report.

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.

Leases

The Society is the lessee in one lease (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid. The base lease cost is \$221.23 for two copiers, one in the Sr. Fair Office and the other in the Jr. Fair Office. There are 4,000 black & white copies included in the base lease for the Sr. Fair office. The overages for that copier are .0099 for black & white and color copies cost .0528. The Jr. Fair copier black and white copies cost .0099 and color cost .09. The lease is with Modern Office Technologies and is paid to U.S. Bank Equipment Finance. The total payments for the year of 2024 are \$3741.54, which is the lease payment and the additional copy costs.

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) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

Race Purse

Morrow County Fair stake races are held during the Morrow County Fair. The Society pays all Sustaining and Entry fees and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees Horse owners and Ohio Harness Horseman's Association pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement reports these fees as Sustaining and Entry Fees.

Ohio Fairs Fund The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 4 for additional information.

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2024

Pari-mutuel Wagering

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the “handle”), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society’s share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 4 for additional information.

Note 3 – Deposits and Investments

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

	2024
Demand deposits	\$49,572
Certificates of deposit	344,000
Other time deposits (savings and NOW accounts)	399,612
Total deposits	793,184
Total deposits and investments	<u>\$793,184</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Horse Racing

State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2024, in the amount of \$5879.43 as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany financial statement, rather, it records the Pari-mutuel Wagering Commission which is the Society’s share of total pari-mutuel wagers after paying winning bettors. The expenses of providing the pari-mutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements. State taxes, which are also paid from the Pari-mutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society’s net portion.

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2024

	2024
Total Amount Bet (Handle)	\$ 5,091
Less: Payoff to Bettors	(4,038)
Parimutuel Wagering Commission	1,029
Tote Service Set Up Fee	0
Tote Service Commission	(445)
State Tax	(139)
Society Portion	\$ 445

Note 5 – Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Society pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Morrow County Commissioners provide general insurance coverage for all the buildings on the Morrow County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$2,000,000 and \$2,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$15,000.

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 actuarially-measured liabilities and the assets available to pay those liabilities as of December 31 (latest information available):

	2023
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2024

Note 6 – 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, 2024.

Note 7 – Construction and Contractual Commitments

Society is in contract with Blott Utilities to upgrade electrical systems on the fairgrounds. Specifically, Society owned lines, poles and associated equipment. In addition to new materials and equipment the distribution voltage will be converted to a primary voltage of 7,200/12,470 KV. The work is expected to be complete and all invoices paid by end of 2025. The total project is estimated to cost \$240,000. As of November 30, 2024 the Society has paid \$58,171.00

Note 8 – Related Party Transactions

Kyle Hack and Tim Brake, Directors, are employed by Tidy Tim's, a local company from which the Society paid \$10,916.00 during the year to supply portable restrooms. Both directors abstained from voting in any instance that Tidy Tim's was considered.


Jeff Barker, Director, is married to Cori Barker who the Society hired to design and produce signs for the fair. The Society paid Cori \$661.00. Jeff Barker abstained from voting during this consideration.

Various board members participate in the Sr. Fair and can receive premiums or awards for this participation.

Note 9 – Junior Fair Board


The Junior Fair Board, which is composed of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Morrow County Fair. The Society disbursed \$0.00 directly to the Junior Fair Board and \$17,350.22 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Morrow County paid the Society \$100 to support Junior Club work. 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, 2024, follows:

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2024

	2024
Beginning Cash Balance	20955
Receipts	48123
Disbursements	(52,158)
Ending Cash Balance	 \$ 16,920

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 market or through the Morrow County's auction. A commission of various percentages 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, 2024, follows:

	2024
Beginning Cash Balance	\$ 33,823
Receipts	740,337
Disbursements	736,135
Ending Cash Balance	 \$ 38,025

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Morrow County Agricultural Society
Morrow County
Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended November 30, 2023

Operating Receipts

Taxes	\$1,008
Admissions	286,201
Privilege Fees	70,225
Rentals	95,813
Sustaining and Entry Fees	11,160
Other Operating Receipts	44,148

<i>Total Operating Receipts</i>	<u>508,555</u>
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Operating Disbursements

Wages and Benefits	51,129
Utilities	29,923
Professional Services	143,921
Equipment and Grounds Maintenance	54,678
Property and Rent Services	101,648
Race Purse	100,300
Senior Fair	13,631
Junior Fair	19,224
Capital Outlay	20,784
Other Operating Disbursements	55,539

<i>Total Operating Disbursements</i>	<u>590,777</u>
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*Excess (Deficiency) of Operating Receipts
Over (Under) Operating Disbursements*

(82,222)

Non-Operating Receipts (Disbursements)

State Support	58,359
Local Support	15,000
Donations/Contributions	247,536
Investment Income	1,276
Debt Service	(2,047)

<i>Net Non-Operating Receipts (Disbursements)</i>	<u>320,124</u>
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<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	237,902
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Cash Balance, Beginning of Year	<u>358,467</u>
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<i>Cash Balance, End of Year</i>	<u><u>\$596,369</u></u>
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The notes to the financial statements are an integral part of this statement.

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2023

Note 1 – Reporting Entity

The Agricultural Society of Morrow (the Society), Morrow 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 a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1850 to operate an annual agricultural fair. The Society sponsors the week – long Morrow County Fair during August/September. During the fair, harness races are held, culminating in the running of the Morrow County Fair Harness Racing. Morrow 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 Morrow County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds and simulcast activity occurring at other locations relating to the harness races. This includes the annual fair, harness racing during fair week and simulcast relating to harness racing. Other year-round activities at the fairgrounds include facility rental, track and stall rental, and community events including a July 3rd Celebration. The reporting entity does not include any other activities or entities of Morrow County, Ohio.

Notes 7 and 8, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

Public Entity Risk Pool

The Society participates in a public entity risk pool. Note 5 to the financial statement provides additional information for these entities. The Society's management believes these financial statements present 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 presentations 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.

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2023

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.

The Society invests in Certificates of Deposits which are valued at cost. Money market mutual funds are recorded at share values the mutual funds report.

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.

Leases

The Society is the lessee in one lease (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid. The base lease cost is \$221.23 for two copiers, one in the Sr. Fair Office and the other in the Jr. Fair Office. There are 4,000 black & white copies included in the base lease for the Sr. Fair office. The overages for that copier are .0099 for black & white and color copies cost .0528. The Jr. Fair copier black and white copies cost .0099 and color cost .09. The lease is with Modern Office Technologies and is paid to U.S. Bank Equipment Finance. The total payments for the year of 2023 are \$3077.83, which is the lease payment and the additional copy costs.

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) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

Race Purse

Morrow County Fair stake races are held during the Morrow County Fair. The Society pays all Sustaining and Entry fees and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees Horse owners and Ohio Harness Horseman's Association pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement reports these fees as Sustaining and Entry Fees.

Ohio Fairs Fund The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 4 for additional information.

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2023

Note 3 – Deposits and Investments

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

	2023
Demand deposits	\$104,804
Certificates of deposit	344,000
Other time deposits (savings and NOW accounts)	147,565
Total deposits	<u>596,369</u>
Total deposits and investments	<u>\$596,369</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Horse Racing

State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2023, in the amount of \$6,128.81 as State Support.

Note 5 – Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Society pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Morrow County Commissioners provide general insurance coverage for all the buildings on the Morrow County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$2,000,000 and \$2,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$15,000.

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2023

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 actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

Note 6 – 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, 2023.


Note 7 – Junior Fair Board

The Junior Fair Board, which is composed of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Morrow County Fair. The Society disbursed \$0.00 directly to the Junior Fair Board and \$22,122.19 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Morrow County paid the Society \$100.00 to support Junior Club work. 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, 2023, follows:

Morrow County Agricultural Society
Morrow County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2023

Note 8 – Junior Livestock Sale Committee

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Morrow County's auction. A commission of various percentages 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, 2023, follows:

	2023
Beginning Cash Balance	\$ 36,047
Receipts	1,181,474
Disbursements	(1,183,698)
Ending Cash Balance	 \$ 33,823



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

Morrow County Agricultural Society
Morrow County
P.O Box 168
Mt. Gilead, Ohio 43338

To the Board of Directors:

We have audited, in accordance with the 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, 2024 and 2023 and the related notes to the financial statements of the Morrow County Agricultural Society, Morrow County, Ohio (the Society) and have issued our report thereon dated June 30, 2025, wherein we noted the Society followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.
Portsmouth, Ohio
June 30, 2025

OHIO AUDITOR OF STATE KEITH FABER



MORROW COUNTY AGRICULTURAL SOCIETY

MORROW 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 10/14/2025

65 East State 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