



OHIO AUDITOR OF STATE
KEITH FABER



**WYANDOT COUNTY SOIL AND WATER CONSERVATION DISTRICT
WYANDOT COUNTY
DECEMBER 31, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

Wyandot County Soil and Water Conservation District
Wyandot County
97 Houpt Drive, Suite A
Upper Sandusky, Ohio 43351-9201

To the Board of Supervisors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each fund and related notes of Wyandot County Soil and Water Conservation District, Wyandot County, Ohio (the District) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions the Ohio Department of Agriculture permits; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of the Ohio Department of Agriculture, which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis the Ohio Department of Agriculture permits. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2019 and 2018, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each fund of Wyandot County Soil and Water Conservation District, Wyandot County, Ohio as of and for the years ended December 31, 2019 and 2018 in accordance with the financial reporting provisions the Ohio Department of Agriculture permits, described in Note 2.

Emphasis of Matters

As discussed in Note 3 to the 2018 financial statements, for the year ended December 31, 2018, the District restated the beginning fund balances of the District and Other funds to properly report funds according to Governmental Accounting Standards Board Statement No. 54. We did not modify our opinion regarding this matter.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020, on our consideration of the District'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 District's internal control over financial reporting and compliance.

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

Keith Faber
Auditor of State

Columbus, Ohio

October 23, 2020

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Wyandot County Soil and Water Conservation District

Wyandot County

*Combined Statement of Receipts, Disbursements and
Changes in Fund Balances (Regulatory Cash Basis)*

For the Year Ended December 31, 2019

	District Fund	Special Fund	Other Funds	Totals (Memorandum Only)
Cash Receipts				
Grants				
Local Government		\$157,000		\$157,000
State Government	\$90,821	182,176		272,997
Federal Government		4,623		4,623
Gifts and Contributions	7,011			7,011
Sale of Products/Materials	14,772			14,772
All Other Revenue	23,288	59,807	\$215	83,310
<i>Total Cash Receipts</i>	<u>135,892</u>	<u>403,606</u>	<u>215</u>	<u>539,713</u>
Cash Disbursements				
Salaries		218,445		218,445
Supplies	873	3,880		4,753
Equipment	1,160	12,650		13,810
Contract Repairs		2,366		2,366
Contract Services/Cost Share Payment	44,482	3,394		47,876
Rentals		240		240
Service Fees	160	3,264		3,424
Information and Education	1,528	928	500	2,956
Travel and Expenses	240	8,333		8,573
Advertising and Printing	284	5,137		5,421
OPERS		30,549		30,549
Worker's Compensation		2,073		2,073
Hospitalization		45,648		45,648
Medicare		3,005		3,005
Product/Materials for Resale	13,481			13,481
Annual Meeting/Banquet	2,522			2,522
Other	15,560	1,676		17,236
<i>Total Cash Disbursements</i>	<u>80,290</u>	<u>341,588</u>	<u>500</u>	<u>422,378</u>
<i>Excess of Receipts Over Disbursements</i>	<u>55,602</u>	<u>62,018</u>	<u>(285)</u>	<u>117,335</u>
Other Financing Receipts (Disbursements)				
Transfers In	1,885			1,885
Transfers Out		(1,885)		(1,885)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,885</u>	<u>(1,885)</u>		
<i>Net Change in Fund Cash Balances</i>	57,487	60,133	(285)	117,335
<i>Fund Cash Balances, January 1</i>	<u>77,731</u>	<u>116,489</u>	<u>6,191</u>	<u>200,411</u>
Fund Cash Balances, December 31				
Restricted	77,352		5,906	83,258
Assigned	39,432	112,301		151,733
Unassigned	18,434	64,321		82,755
<i>Fund Cash Balances, December 31</i>	<u>\$135,218</u>	<u>\$176,622</u>	<u>\$5,906</u>	<u>\$317,746</u>

See accompanying notes to the basic financial statements

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Wyandot County Soil and Water Conservation District, Wyandot County, Ohio (the District) as a body corporate and politic. A publicly elected five-member District Board of Supervisors directs the District. The District provides local leadership in the conservation of natural resources and stewardship of agricultural lands.

Jointly Governed Organization and Public Entity Risk Pool

The District participates in a jointly governed organization and a public entity risk pool. Notes 5 and 10 to the financial statements provide additional information for these entities.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all funds.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

Special Fund The Special fund is the primary fund used for day to day operations and expenditures including payroll and benefits. The District records all amounts received from the State, local, or federal governments in this fund. The County Auditor also maintains an accounting of this fund.

District Fund The District fund accounts for and reports revenues from district sales and equipment rentals, grants and donations.

Other Fund This fund accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The District had the following Other Fund:

Lowry Scholarship Fund The District received a bequest for scholarships. The proceeds are restricted for scholarships.

Basis of Accounting

These financial statements follow the accounting basis permitted by the Ohio Department of Agriculture. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

These statements include adequate disclosure of material matters the Ohio Department of Agriculture requires.

Budgetary Process

The Ohio Revised Code requires the Special fund be budgeted annually.

Appropriations Budgetary expenditures may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Supervisors must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

The Wyandot County Treasurer is the custodian for the District's Special fund's cash and investments. The County's cash and investment holds the District's Special fund's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Wyandot County Treasurer, Franklin J. Grafmiller, 109 South Sandusky Avenue, Upper Sandusky, Ohio 43351 or by calling 419-294-2131.

The District's accounting basis for all other funds 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.

For the District fund, the money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Supervisors can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Supervisors amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Funds other than the special and district funds report all fund balances as *assigned* unless they are restricted or committed. In the special and district funds, *assigned* amounts represent intended uses established by District Supervisors or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the special and district funds and includes amounts not included in the other classifications. In other funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Special Fund Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund	Receipts	Receipts	Variance
Special	\$406,921	\$403,606	(\$3,315)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation	Budgetary	
Fund	Authority	Expenditures	Variance
Special	\$512,252	\$343,473	\$168,779

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

Note 4 – Deposits and Investments

The District maintains a deposits and investments pool all funds use, except the Special fund which is maintained by the Wyandot County Treasurer. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits (which includes \$42 cash on hand) and investments at December 31 was as follows:

	2019
Demand deposits	<u>\$100,043</u>
County Treasurer Deposits	<u>176,622</u>
Total deposits	<u>276,665</u>
STAR Ohio	<u>41,081</u>
Total deposits and investments	<u><u>\$317,746</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The District 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, if material.

The District participates in the County Risk Sharing Authority (CORSA) public entity risk pool through its fiscal agent. Wyandot County, the District's fiscal agent, is a member of CORSA, which is a public entity risk sharing pool of thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

The pool's audited financial statements conform with generally accepted accounting principles, and reported the following summary of assets, liabilities and equity as of April 30, 2019:

	2019
Assets	<u>\$131,543,222</u>
Liabilities	<u>(42,482,516)</u>
Members' Equity	<u><u>\$89,060,706</u></u>

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

The District provides health insurance to employees who choose coverage through Wyandot County's fully insured HSA.

Note 6 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 9 – All Other Revenues

The District had other revenues in the District, Special and Other funds totaling \$23,288, \$59,807 and \$215, respectively. These revenues consist of contracts, rentals, interest and reimbursements.

Note 10 – Jointly Governed Organization

The District participates in the Manure Nutrient Management (MNM) with Crawford, Sandusky and Seneca Soil and Water Conservation Districts. This organization is operated under the authority given in Ohio Rev. Code § 940.18 for the sole purpose of sharing specialty services of manure nutrient management consulting. Each Soil and Water Conservation District serves on the MNM Joint Board and contributes a share of the annual expenses as follows: Crawford, Wyandot and Seneca each contribute 30 percent while Sandusky contributes 10 percent. This Jointly Governed Organization dissolved on June 30, 2019.

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

Note 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Wyandot County Soil and Water Conservation District

Wyandot County

*Combined Statement of Receipts, Disbursements and
Changes in Fund Balances (Regulatory Cash Basis)*

For the Year Ended December 31, 2018

	District Fund	Special Fund	Other Funds	Totals (Memorandum Only)
Cash Receipts				
Grants				
Local Government		\$147,500		\$147,500
State Government	\$2,785	120,473		123,258
Federal Government		50,603		50,603
Gifts and Contributions	6,715			6,715
Sale of Products/Materials	9,369			9,369
All Other Revenue	11,146	47,265	\$234	58,645
<i>Total Cash Receipts</i>	<u>30,015</u>	<u>365,841</u>	<u>234</u>	<u>396,090</u>
Cash Disbursements				
Salaries		201,255		201,255
Supplies	87	2,230		2,317
Equipment		8,987		8,987
Contract Repairs		329		329
Contract Services/Cost Share Payment		3,721		3,721
Rentals	240			240
Service Fees	35	4,767		4,802
Information and Education	104	1,446	500	2,050
Travel and Expenses	650	6,924		7,574
Advertising and Printing		2,323		2,323
OPERS		28,885		28,885
Worker's Compensation		2,044		2,044
Hospitalization		43,145		43,145
Medicare		2,756		2,756
Product/Materials for Resale	7,524			7,524
Vehicle Rental/Liability Insurance		2,178		2,178
Annual Meeting/Banquet	1,561			1,561
Other	12,063	18,723		30,786
<i>Total Cash Disbursements</i>	<u>22,264</u>	<u>329,713</u>	<u>500</u>	<u>352,477</u>
<i>Net Change in Fund Cash Balances</i>	7,751	36,128	(266)	43,613
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>69,980</u>	<u>80,361</u>	<u>6,457</u>	<u>156,798</u>
Fund Cash Balances, December 31				
Restricted	28,436		6,191	34,627
Committed	1,626			1,626
Assigned	30,466	105,331		135,797
Unassigned	17,203	11,158		28,361
<i>Fund Cash Balances, December 31</i>	<u>\$77,731</u>	<u>\$116,489</u>	<u>\$6,191</u>	<u>\$200,411</u>

See accompanying notes to the basic financial statements

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Wyandot County Soil and Water Conservation District, Wyandot County, Ohio (the District) as a body corporate and politic. A publicly elected five-member District Board of Supervisors directs the District. The District provides local leadership in the conservation of natural resources and stewardship of agricultural lands.

Jointly Governed Organization and Public Entity Risk Pool

The District participates in a jointly governed organization and a public entity risk pool. Notes 6 and 11 to the financial statements provide additional information for these entities.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all funds.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

Special Fund The Special fund is the primary fund used for day to day operations and expenditures including payroll and benefits. The District records all amounts received from the State, local, or federal governments in this fund. The County Auditor also maintains an accounting of this fund.

District Fund The District fund accounts for and reports revenues from district sales and equipment rentals, grants and donations.

Other Fund This fund account for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The District had the following Other Fund:

Lowry Scholarship Fund The District received a bequest for scholarships. The proceeds are restricted for scholarships.

Basis of Accounting

These financial statements follow the accounting basis permitted by the Ohio Department of Agriculture. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

These statements include adequate disclosure of material matters the Ohio Department of Agriculture requires.

Budgetary Process

The Ohio Revised Code requires the Special fund be budgeted annually.

Appropriations Budgetary expenditures may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Supervisors must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

A summary of 2018 budgetary activity appears in Note 4.

Deposits and Investments

The Wyandot County Treasurer is the custodian for the District's Special fund's cash and investments. The County's cash and investment holds the District's Special fund's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Wyandot County Treasurer, Franklin J. Grafmiller, 109 South Sandusky Avenue, Upper Sandusky, Ohio 43351 or by calling 419-294-2131.

The District's accounting basis for all other funds 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.

For the District fund, the money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Supervisors can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Supervisors amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Funds other than the special and district funds report all fund balances as *assigned* unless they are restricted or committed. In the special and district funds, *assigned* amounts represent intended uses established by District Supervisors or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the special and district funds and includes amounts not included in the other classifications. In other funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Accounting Change

During 2018, the District changed the fund classification for various funds in accordance with Governmental Accounting Standards Board Statement No. 54. The fund classifications of the Ohio Fresh Eggs Contingency and Tree funds were changed from being reported as Other funds to being reported in the District fund. These adjustments had the following impact on the previously reported fund balances:

	District Fund	Other Funds
Fund Cash Balances, December 31, 2017	\$ 37,921	\$ 38,516
Ohio Fresh Eggs Contingency fund	18,280	(18,280)
Tree fund	13,779	(13,779)
Fund Cash Balances at January 1, 2018	<u>\$ 69,980</u>	<u>\$ 6,457</u>

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

Note 4 – Special Fund Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
Special	\$350,000	\$365,841	\$15,841

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$446,202	\$329,713	\$116,489

Note 5 – Deposits and Investments

The District maintains a deposits and investments pool all funds use, except the Special fund which is maintained by the Wyandot County Treasurer. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits (which includes \$51 cash on hand) and investments at December 31 was as follows:

	2018
Demand deposits	\$59,058
County Treasurer Deposits	116,489
Total deposits	175,547
STAR Ohio	24,864
Total deposits and investments	\$200,411

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 6 – Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The District 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, if material.

The District participates in the County Risk Sharing Authority (CORSA) public entity risk pool through its fiscal agent. Wyandot County, the District's fiscal agent, is a member of CORSA, which is a public entity risk sharing pool of thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

The pool's audited financial statements conform with generally accepted accounting principles, and reported the following summary of assets, liabilities and equity as of April 30, 2018:

	<u>2018</u>
Assets	\$123,215,885
Liabilities	<u>(28,613,349)</u>
Members' Equity	<u>\$94,602,536</u>

The District provides health insurance to employees who choose coverage through Wyandot County's fully insured HSA.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Wyandot County Soil and Water Conservation District

Wyandot County

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Continued)

Note 10 – All Other Revenues

The District has other revenues in the District, Special, and Other funds totaling \$11,146, \$47,265 and \$234, respectively. These revenues consist of contracts, rentals, interest and reimbursements.

Note 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 – Jointly Governed Organization

The District participates in the Manure Nutrient Management (MNM) with Crawford, Sandusky and Seneca Soil and Water Conservation Districts. This organization is operated under the authority given in Ohio Rev. Code § 940.18 for the sole purpose of sharing specialty services of manure nutrient management consulting. Each Soil and Water Conservation District serves on the MNM Joint Board and contributes a share of the annual expenses as follows: Crawford, Wyandot and Seneca each contribute 30 percent while Sandusky contributes 10 percent.

OHIO AUDITOR OF STATE KEITH FABER



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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

Wyandot County Soil and Water Conservation District
Wyandot County
97 Houpt Drive, Suite A
Upper Sandusky, Ohio 43351-9201

To the Board of Supervisors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each fund of Wyandot County Soil and Water Conservation District, Wyandot County, Ohio (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated October 23, 2020, wherein we noted the District followed financial reporting provisions the Ohio Department of Agriculture prescribes or permits. We also noted the District restated beginning fund balances to properly report funds in accordance with Governmental Accounting Standards Board Statement No. 54. Additionally, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

October 23, 2020

WYANDOT COUNTY SOIL AND WATER CONSERVATION DISTRICT
WYANDOT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-001

Material Weakness

Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Errors were noted in the financial statements, resulting in the following audit adjustment:

- District fund LECREP repayments of \$8,074 were improperly accounted for as state grant instead of other revenue in 2018.

Errors were also noted in the notes to the financial statements, resulting in the following audit adjustment:

- Appropriation authority amounts in the Special fund were increased by \$33,665 in 2019, in order to bring the notes to the financial statements in line with authorized budget amounts.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. The accompanying financial statements, notes to the financial statements, and accounting records have been adjusted to correct these and other errors. Failure to complete accurate financial statements could lead to the Board making misinformed decisions. Additional errors were made in smaller relative amounts.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Office Manager and Board, to identify and correct errors and omissions.

Officials' Response:

To address the need to improve financial statements in the future, other accounting software will be sought and guidance from ODA and the Auditor of State Bulletins will be used.

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OHIO AUDITOR OF STATE KEITH FABER



WYANDOT COUNTY SOIL AND WATER CONSERVATION DISTRICT

WYANDOT 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 11/10/2020

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