



**WILLIAMS COUNTY SOIL AND WATER CONSERVATION DISTRICT
WILLIAMS COUNTY
DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

Williams County Soil and Water Conservation District
Williams County
11246 State Route 15
Montpelier, Ohio 43543

To the Board of Supervisors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Williams County Soil and Water Conservation District, Williams County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each fund as of and for the years ended December 31, 2021 and 2020, 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 for each fund as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions the Ohio Department of Agriculture permits, 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 District, as of December 31, 2021 and 2020, 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 District, 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 the District on 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 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 Matters

As discussed in Note 12 to the financial statements, during 2020, the District restated its beginning fund balances to reclassify two funds to more appropriately reflect the purpose of the funds. Our opinion is not modified with respect to this matter.

In addition, as discussed in Note 10 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to 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 the Ohio Department of Agriculture permits. 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 District'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 District'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 District'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 November 14, 2022, 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. 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 District'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 District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

November 14, 2022

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Williams County Soil and Water Conservation District

Williams County, Ohio

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

For the Year Ended December 31, 2021

	District Fund	Special Fund	Other Funds	Totals (Memorandum Only)
Cash Receipts				
Taxes		\$291,454		\$291,454
Grants				
Local Government	\$10,195			10,195
State Government		161,530	\$4,218,884	4,380,414
Gifts and Contributions	2,710			2,710
Sale of Products/Materials	19,997			19,997
Rentals	23,699			23,699
Farm Harvest Income	9,896			9,896
All Other Revenue	1,014	354	6,534	7,902
<i>Total Cash Receipts</i>	<u>67,511</u>	<u>453,338</u>	<u>4,225,418</u>	<u>4,746,267</u>
Cash Disbursements				
Salaries		251,681		251,681
Supplies	3,388	3,698	256	7,342
Equipment	5,760	3,870		9,630
Contract Repairs	9,236	4,220		13,456
Contract Services/Cost Share Payment	3,515	44,605	267,494	315,614
Rentals	2,500		10,750	13,250
Service Fees	97	4,344		4,441
Information and Education	3,437	845		4,282
Travel and Expenses	9,465	5,053		14,518
Advertising and Printing	503	5,620		6,123
OPERS		34,909		34,909
Worker's Compensation		1,371		1,371
Hospitalization		79,824		79,824
Medicare		3,478		3,478
Product/Materials for Resale	16,480			16,480
Vehicle Rental/Liability Insurance		2,670		2,670
Annual Meeting/Banquet	254			254
Other	4,356	98,267	38	102,661
<i>Total Cash Disbursements</i>	<u>58,991</u>	<u>544,455</u>	<u>278,538</u>	<u>881,984</u>
<i>Net Change in Fund Cash Balances</i>	8,520	(91,117)	3,946,880	3,864,283
<i>Fund Cash Balances, January 1</i>	<u>86,432</u>	<u>823,715</u>	<u>1,746,957</u>	<u>2,657,104</u>
<i>Fund Cash Balances, December 31</i>	<u>\$94,952</u>	<u>\$732,598</u>	<u>\$5,693,837</u>	<u>\$6,521,387</u>

See accompanying notes to the basic financial statements

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Williams County Soil and Water Conservation District, Williams 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.

Public Entity Risk Pool

The District participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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 (regulatory 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 Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The District had the following significant Other Funds:

The Working Lands Program The Working Lands Program Fund is held in the district fund but is separated on the Other Funds Combining Statement and is a grant fund.

Clean Lake 2021 The Clean Lake 2021 Fund is held in the district fund but is separated on the Other Funds Combining Statement and is a grant fund.

The H2Ohio District The H2Ohio District Fund is a separate grant fund account for cost share for participants.

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2021

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.

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 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Williams 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 Williams County Treasurer, Kellie Gray at 1 Courthouse Square, Bryan, Ohio 43506 or by calling 419-636-1850.

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.

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.

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2021

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:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District.

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*. For regulatory purposes, assigned fund balance in the special and district funds is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 6.

Williams County Soil and Water Conservation District
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Special Fund Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
Special	\$437,220	\$453,338	\$16,118

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$717,048	\$544,455	\$172,593

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 Williams County Treasurer. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2021
Demand deposits	\$140,268
Other time deposits (savings and NOW accounts)	5,605,089
County Treasurer Deposits	732,598
Total deposits	6,477,955
STAR Ohio	43,432
Total deposits and investments	\$6,521,387

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District.

Investments

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

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Supervisors adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as State Government Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements For the Year Ended December 31, 2021

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the District.

Note 6 – Fund Balances

The fund balance of District funds is either restricted or unassigned. The fund balance of Special Fund is unassigned. The fund balances of other funds are either restricted or unassigned.

Note 7 – Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Risk Pool Membership

The District is a member of the CORSA Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the District policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. 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:

	2021
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

District 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.

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2021

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, 2021.

Note 9 – 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 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 10 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Williams County Soil and Water Conservation District

Williams County, Ohio

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

For the Year Ended December 31, 2020

	District Fund	Special Fund	Other Funds	Totals (Memorandum Only)
Cash Receipts				
Taxes		\$289,160		\$289,160
Grants				
Local Government	\$20,581			20,581
State Government	23,084	458,921	\$1,965,793	2,447,798
Sale of Products/Materials	10,469			10,469
Rentals	24,146			24,146
Farm Harvest Income	8,657			8,657
All Other Revenue	1,100	2,243	2,811	6,154
<i>Total Cash Receipts</i>	<u>88,037</u>	<u>750,324</u>	<u>1,968,604</u>	<u>2,806,965</u>
Cash Disbursements				
Salaries		221,506		221,506
Supplies	3,943	2,669		6,612
Equipment	7,488	28,070		35,558
Contract Repairs	1,303	2,009		3,312
Contract Services/Cost Share Payment	4,972	11,543	299,177	315,692
Rentals	2,500	26,300	22,251	51,051
Service Fees		1,639		1,639
Information and Education	4,600	413		5,013
Travel and Expenses	13,601	5,888		19,489
Advertising and Printing	2,939	4,091		7,030
OPERS		29,436		29,436
Worker's Compensation		1,160		1,160
Hospitalization		74,756		74,756
Medicare		2,796		2,796
Product/Materials for Resale	9,164			9,164
Vehicle Rental/Liability Insurance		1,320		1,320
Annual Meeting/Banquet	322			322
Other	12,752	288,099		300,851
<i>Total Cash Disbursements</i>	<u>63,584</u>	<u>701,695</u>	<u>321,428</u>	<u>1,086,707</u>
<i>Net Change in Fund Cash Balances</i>	24,453	48,629	1,647,176	1,720,258
<i>Fund Cash Balances, January 1</i>	<u>61,979</u>	<u>775,086</u>	<u>99,781</u>	<u>936,846</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$86,432</u></u>	<u><u>\$823,715</u></u>	<u><u>\$1,746,957</u></u>	<u><u>\$2,657,104</u></u>

See accompanying notes to the basic financial statements

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Williams County Soil and Water Conservation District, Williams 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.

Public Entity Risk Pool

The District participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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 (regulatory cash basis) for all funds.

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Other Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The District had the following significant Other Funds:

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Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2020

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.

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 2020 budgetary activity appears in Note 3.

Deposits and Investments

The Williams 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 Williams County Treasurer, Kellie Gray at 1 Courthouse Square, Bryan, Ohio 43506 or by calling 419-636-1850.

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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

Capital Assets

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Accumulated Leave

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Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2020

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:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District.

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*. For regulatory purposes, assigned fund balance in the special and district funds is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 6.

Williams County Soil and Water Conservation District
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Special Fund Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
Special	\$531,800	\$750,324	\$218,524

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$925,662	\$701,695	\$223,967

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 Williams County Treasurer. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2020
Demand deposits	\$142,534
Other time deposits (savings and NOW accounts)	1,647,459
County Treasurer Deposits	823,715
Total deposits	2,613,708
STAR Ohio	43,395
Total deposits and investments	\$2,657,104

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District.

Investments

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

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Supervisors adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as State Government Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2020

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the District.

Note 6 – Fund Balances

The fund balance of District funds is either restricted or unassigned. The fund balance of Special Fund is unassigned. The fund balances of other funds are either restricted or unassigned.

Note 7 – Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Risk Pool Membership

The District is a member of the CORSA Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the District policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. 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>2020</u>
Cash and investments	\$40,318,971
Actuarial liabilities	\$14,111,510

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Williams County Soil and Water Conservation District

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2020

District 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, 2020.

Note 9 – 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 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 10 – 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. In addition, the impact on the District’s future operating costs, revenue, and additional recovery from emergency funding, either federal or state cannot be estimated.

Note 11 – Change in Accounting Principle

For 2020, the District has made a changes to their cash basis reporting model. These changes includes removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Note 12 – Reclassification of Fund Balances

Beginning in 2020 the Working Lands Program Fund and the Clean Lake Fund previously classified in the District Fund were reclassified to the Other Funds as the District deemed this classification more appropriate based on the purpose of the funds. These changes in fund classifications had the following effect on fund balances previously reported for the year ended December 31, 2019:

	<u>District Fund</u>	<u>Other Funds</u>
Fund balance December 31, 2019	\$161,760	
Fund Reclassification	(99,781)	\$99,781
Restated fund balance December 31, 2019	<u>\$61,979</u>	<u>\$99,781</u>

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*

Williams County Soil and Water Conservation District
Williams County
11246 State Route 15
Montpelier, Ohio 43543

To the Board of Supervisors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements for each fund as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements of Williams County Soil and Water Conservation District, Williams County, Ohio (the District) and have issued our report thereon dated November 14, 2022, wherein we noted the District followed financial reporting provisions the Ohio Department of Agriculture permits. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. In addition, we noted the District restated its beginning fund balances to reclassify two funds to more appropriately reflect the purpose of the funds.

Report on Internal Control Over Financial Reporting

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



Keith Faber
Auditor of State
Columbus, Ohio

November 14, 2022



Williams Soil & Water Conservation District

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419-636-9395
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2021 AND 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	This finding was first reported in 2019. Material weakness due to financial statement reporting errors.	Fully corrected.	

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OHIO AUDITOR OF STATE KEITH FABER



WILLIAMS COUNTY SOIL AND WATER CONSERVATION DISTRICT

WILLIAMS 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 12/1/2022

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