



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COLUMBIANA COUNTY SOIL AND WATER CONSERVATION DISTRICT  
COLUMBIANA COUNTY  
DECEMBER 31, 2022 AND 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Columbiana County Soil and Water Conservation District  
Columbiana County  
1834-B South Lincoln Avenue  
Salem, Ohio 44460

To the Board of Supervisors:

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

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Columbiana County Soil and Water Conservation District, Columbiana County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each fund as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each fund as of and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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 Matter***

As discussed in Note 9 to the 2022 and 2021 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.

***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 15, 2023, 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 15, 2023





**Columbiana County Soil and Water Conservation District**  
*Columbiana County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*For the Year Ended December 31, 2022*

	District Fund	Special Fund	Other Fund	Combined Total
<b>Cash Receipts</b>				
Grants				
Local Government		\$ 58,400	\$ 22,450	\$ 80,850
State Government		131,101		131,101
Gifts and Contributions	\$ 2,850			2,850
Sale of Products/Materials	16,855			16,855
Rentals	13,465			13,465
All Other Revenue	2,530			2,530
<i>Total Cash Receipts</i>	<u>35,700</u>	<u>189,501</u>	<u>22,450</u>	<u>247,651</u>
<b>Cash Disbursements</b>				
Salaries		119,290		119,290
Supplies	443			443
Equipment	2,839			2,839
Contract Services/Cost Share Payment	4,118	11,445		15,563
Rentals	6,600			6,600
Information and Education	4,105			4,105
Travel and Expenses	99			99
Advertising and Printing	4,799			4,799
OPERS		16,575		16,575
Hospitalization		21,582		21,582
Medicare		1,693		1,693
Product/Materials for Resale	9,751			9,751
Other	17,473			17,473
<i>Total Cash Disbursements</i>	<u>50,227</u>	<u>170,585</u>	<u>0</u>	<u>220,812</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(14,527)</u>	<u>18,916</u>	<u>22,450</u>	<u>26,839</u>
<i>Fund Cash Balances, January 1</i>	<u>123,361</u>	<u>115,036</u>	<u>17,500</u>	<u>255,897</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$108,834</u></u>	<u><u>\$133,952</u></u>	<u><u>\$39,950</u></u>	<u><u>\$282,736</u></u>

*See accompanying notes to the basic financial statements*

## Columbiana County Soil & Water Conservation District

### *Notes to the Financial Statement For the Year Ended December 31, 2022*

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#### **Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Columbiana County Soil & Water Conservation District (the District), Columbiana County, 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.

#### **Note 2 – Summary of Significant Accounting Policies**

##### ***Basis of Presentation***

The District's financial statement consists of a combined of 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 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 Little Beaver Creek Watershed Coordinator Grant is received from the Ohio Department of Agriculture. These funds are used specifically to retain a watershed coordinator in the office.
- The Ohio Department of Natural Resources Division of Wildlife provides grant funding so that the District can retain a Wildlife/Forestry Specialist position in the office.

##### ***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 budget annually.

## Columbiana County Soil & Water Conservation District

### *Notes to the Financial Statement For the Year Ended December 31, 2022*

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**Appropriations** Budgetary expenditures may not exceed appropriations at the fund, function or object level 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 2022 budgetary activity appears in Note 3.

#### ***Deposits and Investments***

The Columbiana 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 Columbiana County Treasurer Bryan Blakeman, Columbiana County Courthouse, 105 S Market Street, Lisbon, Ohio 44432.

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 and other 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 statement does not include a liability for unpaid leave.

#### ***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does 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:

***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.

**Columbiana County Soil & Water Conservation District**

*Notes to the Financial Statement  
For the Year Ended December 31, 2022*

**Committed** The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends 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 general fund is limited to encumbrances outstanding at year end.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental 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, 2022, follows:

2022 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$222,731	\$189,501	(\$33,230)

2022 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$222,731	\$170,585	\$52,146

**Columbiana County Soil & Water Conservation District**

*Notes to the Financial Statement  
For the Year Ended December 31, 2022*

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

	<u>2022</u>
Demand deposits	<u>\$199,878</u>
Total deposits	<u>199,878</u>
STAR Ohio	82,858
Total investments	<u>82,858</u>
Total deposits and investments	<u><u>\$282,736</u></u>

***Deposits***

Deposits are collateralized by securities specifically pledged by the financial institution to the District; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

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

**Note 5– Risk Management**

***Workers’ Compensation***

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.

**Note 6 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Columbiana County Auditor’s Office handles all payroll and retirement for the District’s employees.

All District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan’s retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

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, 2022.

## Columbiana County Soil & Water Conservation District

### *Notes to the Financial Statement For the Year Ended December 31, 2022*

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#### **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 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

#### **Note 8 – Public Entity Risk Pool**

The District participates in CORSA through the Columbiana County.

CORSA is a shared risk pool among seventy-two 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 coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board of Trustees. No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

#### **Note 9 – 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 may 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.

**Columbiana County Soil and Water Conservation District**  
*Columbiana 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 Fund	Combined Total
<b>Cash Receipts</b>				
Grants				
Local Government		\$ 58,400		\$58,400
State Government		138,893	\$ 35,000	173,893
Gifts and Contributions	\$ 620			620
Sale of Products/Materials	14,549			14,549
Rentals	17,297			17,297
All Other Revenue	17,647			17,647
<i>Total Cash Receipts</i>	<u>50,113</u>	<u>197,293</u>	<u>35,000</u>	<u>282,406</u>
<b>Cash Disbursements</b>				
Salaries		99,316	35,000	134,316
Supplies	545			545
Equipment	32,431			32,431
Contract Services/Cost Share Payment	3,626			3,626
Rentals	5,500			5,500
Service Fees	10			10
Information and Education	264			264
Travel and Expenses	123			123
Advertising and Printing	3,815			3,815
OPERS		18,837		18,837
Hospitalization		29,346		29,346
Medicare		1,898		1,898
Product/Materials for Resale	8,972			8,972
Other	3,204	15,000		18,204
<i>Total Cash Disbursements</i>	<u>58,490</u>	<u>164,397</u>	<u>35,000</u>	<u>257,887</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,377)</u>	<u>32,896</u>	<u>0</u>	<u>24,519</u>
<i>Fund Cash Balances, January 1</i>	<u>131,738</u>	<u>82,140</u>	<u>17,500</u>	<u>231,378</u>
<i>Fund Cash Balances, December 31</i>	<u>\$123,361</u>	<u>\$115,036</u>	<u>\$17,500</u>	<u>\$255,897</u>

*See accompanying notes to the basic financial statements*

## Columbiana County Soil & Water Conservation District

### *Notes to the Financial Statement For the Year Ended December 31, 2021*

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#### **Note 1 – Reporting Entity**

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

#### **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 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 Little Beaver Creek Watershed Coordinator Grant provided by the Ohio Department of Agriculture. These funds are used specifically to retain a watershed coordinator within the District's office.
- The Ohio Department of Natural Resources Division of Wildlife provides grant funding so that the District can maintain a Wildlife/Forestry Specialist position in the office.

##### ***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.



## Columbiana County Soil & Water Conservation District

### *Notes to the Financial Statement For the Year Ended December 31, 2021*

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**Appropriations** Budgetary expenditures may not exceed appropriations at the fund, function, or object level, 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 Columbiana 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 Columbiana County Treasurer Bryan Blakeman, Columbiana County Courthouse, 105 S Market Street, Lisbon, OH 44432.

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 and other funds, STAR Ohio, is 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:

***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.

**Columbiana County Soil & Water Conservation District**

*Notes to the Financial Statement*

*For the Year Ended December 31, 2021*

---

**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.

**Note 3 – Special Fund Budgetary Activity**

Budgetary activity for the year ending follows:

2021 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
Special	\$205,800	\$197,293	(\$8,507)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$205,800	\$164,397	\$41,403

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

**Columbiana County Soil & Water Conservation District**  
*Notes to the Financial Statement*  
For the Year Ended December 31, 2021

	2021
Demand deposits	\$174,433
Total deposits	174,433
STAR Ohio	81,464
Total investments	81,464
Total deposits and investments	\$255,897

***Deposits***

Deposits are collateralized by securities specifically pledged by the financial institution to the District; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

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

**Note 5 – Risk Management**

***Workers’ Compensation***

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.

**Note 6 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Columbiana County Auditor’s office handles all payroll and retirement for the District’s employees.

All 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, 2021.

**Columbiana County Soil & Water Conservation District**

*Notes to the Financial Statement*

*For the Year Ended December 31, 2021*

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**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 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 8 – Public Entity Risk Pool**

The District participates in CORSA through Columbiana County.

CORSA is a shared risk pool among seventy-two 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 coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board of Trustees.

No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees."

**Note 9– 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 may 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 estimate.

# 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

Columbiana County Soil and Water Conservation District  
Columbiana County  
1834-B South Lincoln Avenue  
Salem, Ohio 44460

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 the Columbiana County Soil and Water Conservation District, Columbiana County, (the District) as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements and have issued our report thereon dated November 15, 2023, wherein we noted the District followed financial reporting provisions the Ohio Department of Agriculture prescribes or permits. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District.

### ***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 purpose 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

***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 15, 2023

**COLUMBIANA COUNTY SOIL AND WATER CONSERVATION DISTRICT  
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2022-001**

**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.

The Fiscal Officer did not abide by the adopted chart of accounts in coding and classifying various transactions which resulted in adjustments to the filed financial statements. The District Fiscal Officer and management have agreed to the adjustments and the corrected amounts are reflected in the accompanying financial statements.

**2022:**

<b>Fund</b>	<b>Line Item Adjusted</b>	<b>Amount</b>	<b>Explanation</b>
District Fund	All Other Receipts	\$2,530	Receipts understated in the filed report.
District Fund	Annual Meeting Disbursements	982	Disbursements overstated in the filed report.
District Fund	Information and Education Disbursements	200	Disbursements overstated in the filed report.
Special Fund	All Other Receipts	31,251	Receipts overstated in the filed report.
Special Fund	State Government Receipts	31,251	Receipts understated in the filed report.
Other Fund	Salaries Disbursements	29,701	Disbursements overstated in the filed report.

**2021:**

<b>Fund</b>	<b>Line Item Adjusted</b>	<b>Amount</b>	<b>Explanation</b>
Special Fund	State Government Receipts	\$52,500	Receipts overstated in the filed report.
Special Fund	Hospitalization Disbursements	1,380	Disbursements overstated in the filed report.
Special Fund	Other Expense Disbursements	15,000	Disbursements understated in the filed report.

**FINDING NUMBER 2022-001**

(Continued)

Adjustments to the Financial Statement Notes include:

- The Other Funds were included; however, did not have a description;
- The Capital Assets paragraph was not included within the Summary of Significant Accounting Policies Note;
- The Budgetary Activity Note did not include the proper amounts;
- The Deposits and Investments Note did not include the proper amounts;
- The Risk Management Note did not include the proper insurance coverage information;
- The Postemployment Benefits Note did not have the proper information as per the Auditor of State shell; and
- The Fund Balance Note was included, however, did not need to be added since the District did not have encumbrances.

The District did not have procedures in place to record transactions properly or procedures in place to include updated disclosures.

Failure to consistently follow a uniform chart of accounts increases the possibility the District will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The Fiscal Officer should maintain the accounting system to enable the District to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the chart of accounts to help ensure that financial activity of the District is accurately recorded and reported. In addition, the District should review the financial statements and notes prior to report submission and ensure it includes accurate information.

**Official's Response:** We did not receive a response from Officials to this finding.



# OHIO AUDITOR OF STATE KEITH FABER



**COLUMBIANA COUNTY SOIL AND WATER CONSERVATION DISTRICT**

**COLUMBIANA 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 12/28/2023**

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

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