



**PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Regular Audit
For the Years Ended December 31, 2019 and 2018**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Supervisors
Pickaway County Soil and Water Conservation District
110 Island Road Suite D
Circleville, Ohio 43113

We have reviewed the *Independent Auditor's Report* of the Pickaway County Soil and Water Conservation District, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Pickaway County Soil and Water Conservation District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 25, 2020

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**PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY**

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INDEPENDENT AUDITOR'S REPORT

September 30, 2020

Pickaway Soil and Water Conservation District
Pickaway County
110 Island Road, Suite D
Circleville, Ohio 43113

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 the **Pickaway Soil and Water Conservation District**, Pickaway 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 such 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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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 these 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 the Pickaway Soil and Water Conservation District, Pickaway County 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 Matter

As discussed in Note 9 to the financial statements, during 2019 and 2018, the financial impact of COVID-19 and the ensuing emergency measures will 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 September 30, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY 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	Totals (Memorandum Only)
Cash Receipts			
Grants			
Local Government	\$ -	\$ 184,000	\$ 184,000
State Government	-	139,958	139,958
Gifts and Contributions - Affiliate Mem/Parking lot	4,440	-	4,440
Sale of Products/Materials	12,701	-	12,701
Rentals	2,095	-	2,095
All Other Revenue/Ann Mtg/Int/EE Camp reg/Grant	6,369	1,407	7,776
<i>Total Cash Receipts</i>	<u>25,605</u>	<u>325,365</u>	<u>350,970</u>
Cash Disbursements			
Salaries	-	188,354	188,354
Supplies	-	2,609	2,609
Equipment	-	10,102	10,102
Contract Repairs	447	-	447
Contract Services/Cost Share Payment	-	7,040	7,040
Service Fees	152	3,457	3,609
Information and Education	8,583	2,555	11,138
Travel and Expenses	-	2,843	2,843
Advertising and Printing	930	4,197	5,127
OPERS	-	24,738	24,738
Worker's Compensation	-	1,673	1,673
Hospitalization	-	31,415	31,415
Medicare	-	2,623	2,623
Product/Materials for Resale	11,283	-	11,283
Vehicle Purchase	26,719	-	26,719
Other/Engineering fees refund/Grant	4,349	-	4,349
<i>Total Cash Disbursements</i>	<u>52,463</u>	<u>281,606</u>	<u>334,069</u>
<i>Net Change in Fund Cash Balances</i>	(26,858)	43,759	16,901
<i>Fund Cash Balances, January 1</i>	<u>207,973</u>	<u>319,164</u>	<u>527,137</u>
Fund Cash Balances, December 31			
Unassigned	<u>181,115</u>	<u>362,923</u>	<u>544,038</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 181,115</u>	<u>\$ 362,923</u>	<u>\$ 544,038</u>

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

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT

PICKAWAY 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 the Pickaway Soil and Water Conservation District, Pickaway 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 and urban lands.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The District is not involved in Joint Ventures, Jointly Governed Organizations or Related Organizations. Public Entity Risk Pools are explained in Note 5 – Risk Management.

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.

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.

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

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 Pickaway 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 Pickaway County Auditor, Melisa Betz, 207 S. Court St., Room 1, Circleville, OH 43113, 740-474-8337.

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.

The District Fund includes two business checking accounts that accrue monthly interest.

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.

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Special Fund Budgetary Activity

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Special Fund Type	Budgeted Receipts	Actual Receipts	Variance
County Appropriation	\$ 184,000	\$ 184,000	\$ -
State Match	155,047	139,958	(15,089)
Refund from Workers Comp	-	1,407	1,407
Total Special Fund Receipts	\$ 339,047	\$ 325,365	\$ (13,682)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Special Fund	Appropriation Authority	Budgetary Expenditures	Variance
Balance January 1, 2019		\$ 319,164	
Special Fund Receipts		325,365	
Sub Total		644,529	
Special Fund Expenses			
Salaries	\$ 199,900	\$ 188,354	\$ 11,546
PERS	28,000	24,738	3,262
Medicare	3,000	2,623	377
Insurance	57,034	31,415	25,619
Workers Comp	3,200	1,673	1,527
Supplies	3,500	2,609	891
Contract - Services	7,500	7,040	460
Travel & Expenses	4,500	2,843	1,657
Advertising & Printing	4,500	4,197	303
Rentals	5,500	-	5,500
Service & Fees	3,500	3,457	43
Scholarship-Education	3,500	2,555	945
Equipment	15,413	10,102	5,311
Total Special Fund Expenses	\$ 339,047	\$ 281,606	\$ 57,441
Balance December 31, 2019		\$ 362,923	

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 Pickaway 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>2019</u>
Demand deposits	\$ 180,924
County Treasurer Deposits	<u>362,923</u>
Total deposits	<u>543,847</u>
Change Fund	100
Petty Cash	91
Total deposits	<u><u>\$ 544,038</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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.

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.

Risk Pool Membership

The District is a member of the County Risk Sharing Authority, Inc. (CORSA) (the Pool). The Pool assumes the risk of loss up to the limits of the Pickaway County policy. The Pickaway County policy covers various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The CORSA program has a \$2,500 deductible.

During 2019, the District paid \$4,187 for losses that exceeded insurance coverage due to vandalism of vehicles.

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All five (5) 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.

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended 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 – 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 ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY 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	Totals (Memorandum Only)
Cash Receipts			
Grants			
Local Government	\$ -	\$ 184,000	\$ 184,000
State Government	-	124,338	124,338
Federal Government - Contribution Agreement	35,080	-	35,080
Gifts and Contributions - Affiliate Mem/Parking lot	3,533	-	3,533
Sale of Products/Materials	9,612	-	9,612
Rentals	1,877	-	1,877
All Other Revenue	2,533	6,012	8,545
<i>Total Cash Receipts</i>	<u>52,635</u>	<u>314,350</u>	<u>366,985</u>
Cash Disbursements			
Salaries	-	172,618	172,618
Supplies	-	3,495	3,495
Equipment	-	37,458	37,458
Contract Repairs	2,411	-	2,411
Contract Services/Cost Share Payment	-	10,514	10,514
Service Fees	220	2,567	2,787
Information and Education	-	2,198	2,198
Travel and Expenses/Parking	47	971	1,018
Advertising and Printing	-	3,267	3,267
OPERS	-	22,395	22,395
Worker's Compensation	-	1,439	1,439
Hospitalization	-	29,260	29,260
Medicare	-	2,396	2,396
Product/Materials for Resale	8,421	-	8,421
Annual Meeting/Banquet/Training	5,158	-	5,158
Other - Engineering fee refunds	2,640	-	2,640
<i>Total Cash Disbursements</i>	<u>18,897</u>	<u>288,578</u>	<u>307,475</u>
<i>Net Change in Fund Cash Balances</i>	33,738	25,772	59,510
<i>Fund Cash Balances, January 1</i>	<u>174,235</u>	<u>293,392</u>	<u>467,627</u>
Fund Cash Balances, December 31			
Unassigned	<u>207,973</u>	<u>319,164</u>	<u>527,137</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 207,973</u>	<u>\$ 319,164</u>	<u>\$ 527,137</u>

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

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY 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 the Pickaway Soil and Water Conservation District, Pickaway 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 and urban lands.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The District is not involved in Joint Ventures, Jointly Governed Organizations or Related Organizations. Public Entity Risk Pools are explained in Note 5 – Risk Management.

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.

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.

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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 3.

Deposits and Investments

The Pickaway 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 Pickaway County Auditor, Melisa Betz, 207 S. Court St., Room 1, Circleville, OH 43113, 740-474-8337.

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.

The District Fund includes two business checking accounts that accrue monthly interest.

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.

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Special Fund Budgetary Activity

Budgetary activity for the year ending 2018 follows:

2018 Budgeted vs. Actual Receipts			
Special Fund Type	Budgeted Receipts	Actual Receipts	Variance
County Appropriation	\$ 184,000	\$ 184,000	\$ -
State Match	124,338	128,762	4,424
Refund from Workers Comp	-	1,588	1,588
Total Special Fund Receipts	\$ 308,338	\$ 314,350	\$ 6,012

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Special Fund	Appropriation Authority	Budgetary Expenditures	Variance
Balance January 1, 2018		\$ 293,392	
Special Fund Receipts		314,350	
Sub Total		607,742	
Special Fund Expenses			
Salaries	\$ 178,000	\$ 172,618	\$ 5,382
PERS	25,500	22,395	3,105
Medicare	2,800	2,396	404
Insurance	64,534	29,260	35,274
Workers Comp	3,200	1,439	1,761
Supplies	3,500	3,495	5
Contract Services	11,500	10,514	986
Travel & Expenses	2,500	971	1,529
Advertising & Printing	4,000	3,267	733
Rentals	5,500	-	5,500
Service & Fees	2,567	2,567	-
Scholarship/Education	3,500	2,198	1,302
Equipment	45,304	37,458	7,846
Total Special Fund Expenses	\$ 352,405	\$ 288,578	\$ 63,827
Balance December 31, 2018		\$ 319,164	

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

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

	2018
Demand deposits	\$ 207,723
County Treasurer Deposits	319,164
Total deposits	526,887
Change Fund	100
Petty Cash	150
Total deposits	\$ 527,137

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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.

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.

Risk Pool Membership

The District is a member of the County Risk Sharing Authority, Inc. (CORSA) (the Pool). The Pool assumes the risk of loss up to the limits of the Pickaway County policy. The Pickaway County policy covers various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The CORSA program has a \$2,500 deductible.

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All five (5) 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.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2018</i>	<i>10%</i>	<i>14%</i>

PICKAWAY SOIL AND WATER CONSERVATION DISTRICT
PICKAWAY COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 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 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 – 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 ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.



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Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
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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**

September 30, 2020

Pickaway Soil and Water Conservation District
Pickaway County
110 Island Road, Suite D
Circleville, Ohio 43113

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 Pickaway Soil and Water Conservation District, Pickaway County, (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 September 30, 2020, wherein we noted the District followed financial reporting provisions the Ohio Department of Agriculture prescribes or permits and we noted the financial impact of COVID-19 and the ensuing emergency measures will 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 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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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*.

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 communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

OHIO AUDITOR OF STATE KEITH FABER



PICKAWAY COUNTY SOIL AND WATER CONSERVATION DISTRICT

PICKAWAY 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 12/8/2020

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