



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## BASIC AUDIT REPORT

Scioto Conservancy District  
Marion County  
LaRue, Ohio 43332

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Scioto Conservancy District, Marion County, (the District for the years ended December 31, 2023 and 2022.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2023 and 2022.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

### Current Year Observation

We noted that during 2022, the District treated all appointed officials performing services for the District as independent contractors. No evidence was provided that a determination of employee versus independent contractor was made. IRS Publication 15-A states generally an employer must withhold and pay federal income tax, social security and Medicare taxes, and pay unemployment taxes on wages paid to an employee. This is generally not the case with an independent contractor. However, to determine whether an individual is an employee or an independent contractor, under common law, the relationship of the worker and the business must be examined. Facts that provide the evidence of the degree of control and degree of independence must be considered. The District should review the guidance noted in IRS Publication 15-A before declaring any worker as an employee or independent contractor upon soliciting their services. In the event that such worker is considered an independent contractor, the District should have evidence to support the determination in line with the criteria as defined in the IRS Publication 15-A. During 2023, the District began treating all appointed officials as employees of the District.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

March 4, 2024

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**SCIOTO CONSERVANCY DISTRICT**

**MARION 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 3/21/2024**

88 East Broad Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)