



OHIO AUDITOR OF STATE
KEITH FABER



**VINTON COUNTY SOIL AND WATER CONSERVATION DISTRICT
VINTON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Vinton County Soil and Water Conservation District
Vinton County
31935 State Route 93
McArthur, Ohio 45651

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 Vinton County Soil and Water Conservation District, Vinton County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each fund as of and for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions the Ohio Department of Agriculture permits, as 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, 2024 and 2023, 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 basis of 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.

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 *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 October 20, 2025, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 20, 2025

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Vinton County Soil and Water Conservation District*Vinton County, Ohio**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**For the Year Ended December 31, 2024*

| | District Fund | Special Fund | Other Funds | Combined Total |
|---|------------------|-----------------|----------------|-------------------|
| Cash Receipts | | | | |
| Grants | | | | |
| Local Government | \$0 | \$24,000 | \$0 | \$24,000 |
| State Government | 500 | 84,833 | 0 | 85,333 |
| Gifts and Contributions | 13,999 | 0 | 0 | 13,999 |
| Sale of Products/Materials | 8,628 | 0 | 0 | 8,628 |
| Rentals | 1,800 | 0 | 0 | 1,800 |
| Sales Tax Collections for State of Ohio | 589 | 0 | 0 | 589 |
| Earnings on Investments | 5,127 | 0 | 0 | 5,127 |
| All Other Revenue | 1,745 | 0 | 983 | 2,728 |
| <i>Total Cash Receipts</i> | <u>32,388</u> | <u>108,833</u> | <u>983</u> | <u>142,204</u> |
| Cash Disbursements | | | | |
| Salaries | 0 | 78,833 | 0 | 78,833 |
| Supplies | 455 | 0 | 2,259 | 2,714 |
| Equipment | 509 | 0 | 0 | 509 |
| Contract Services/Cost Share Payment | 4,182 | 888 | 0 | 5,070 |
| Rentals | 260 | 12,000 | 0 | 12,260 |
| Service Fees | 145 | 0 | 0 | 145 |
| Information and Education | 5,958 | 0 | 0 | 5,958 |
| Travel and Expenses | 1,412 | 0 | 0 | 1,412 |
| Advertising and Printing | 1,602 | 0 | 0 | 1,602 |
| OPERS | 0 | 11,037 | 0 | 11,037 |
| Worker's Compensation | 0 | 718 | 0 | 718 |
| Medicare | 0 | 1,143 | 0 | 1,143 |
| Product/Materials for Resale | 7,453 | 0 | 0 | 7,453 |
| Vehicle Rental/Liability Insurance | 613 | 0 | 0 | 613 |
| Annual Meeting/Banquet | 1,797 | 0 | 0 | 1,797 |
| Other | 95 | 13,506 | 0 | 13,601 |
| <i>Total Cash Disbursements</i> | <u>24,481</u> | <u>118,125</u> | <u>2,259</u> | <u>144,865</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>7,907</u> | <u>(9,292)</u> | <u>(1,276)</u> | <u>(2,661)</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Transfers In | 0 | 3,500 | 300 | 3,800 |
| Transfers Out | (3,800) | 0 | 0 | (3,800) |
| Loan from County | 0 | 1,239 | 0 | 1,239 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(3,800)</u> | <u>4,739</u> | <u>300</u> | <u>1,239</u> |
| <i>Net Change in Fund Cash Balances</i> | <u>4,107</u> | <u>(4,553)</u> | <u>(976)</u> | <u>(1,422)</u> |
| <i>Fund Cash Balances, January 1</i> | <u>117,351</u> | <u>4,553</u> | <u>1,911</u> | <u>123,815</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$121,458</u> | <u>\$0</u> | <u>\$935</u> | <u>\$122,393</u> |

See accompanying notes to the basic financial statements

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Vinton County Soil and Water Conservation District

Vinton County

Notes to the Financial Statements

For the Year Ended December 31, 2024

Note 1 – Reporting Entity

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Other 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 Fund:

A Day in the Woods This fund accounts for the A Day in the Woods education program for landowners. These funds are being held in a partnership with Ohio State extension for the program.

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.

Vinton County Soil and Water Conservation District
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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 2024 budgetary activity appears in Note 3.

Deposits and Investments

The Vinton 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 Vinton County Treasurer, Vicki Maxwell, 100 E. Main Street, McArthur, OH 45651 or at treasurer@vintonco.com.

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

District employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, 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.

Vinton County Soil and Water Conservation District
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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 8.

Note 3 – Special Fund Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

| 2024 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund | Budgeted Receipts | Actual Receipts | Variance |
| Special | \$113,572 | \$113,572 | \$0 |

| 2024 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund | Appropriation Authority | Budgetary Expenditures | Variance |
| Special | \$118,125 | \$118,125 | \$0 |

Vinton County Soil and Water Conservation District
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 4 – Deposits and Investments

The District maintains a deposits and investments pool all funds use, except the Special Fund which is maintained by the Vinton County Treasurer. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

| | |
|--------------------------------|-------------------------|
| | 2024 |
| Demand deposits | <u>\$19,680</u> |
| Total deposits | <u>19,680</u> |
| STAR Ohio | <u>102,713</u> |
| Total investments | <u>102,713</u> |
| Total deposits and investments | <u><u>\$122,393</u></u> |

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

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

Note 5 – Risk Management

Workers' Compensation

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.

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Note 6 – 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.

Vinton County Soil and Water Conservation District

Vinton County

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Continued)

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, 2024.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 8 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end there were no nonspendable balances.

The fund balance of the other funds is either restricted or committed. These restricted, committed, and assigned amounts in the other funds would include the outstanding encumbrances. In the special and district funds, outstanding encumbrances are considered assigned.

Note 9 – Subsequent Events

The District became party to a lawsuit in 2025, the outcome of which cannot be determined at this time.

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Vinton County Soil and Water Conservation District*Vinton County, Ohio**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**For the Year Ended December 31, 2023*

| | District Fund | Special Fund | Other Funds | Combined Total |
|--|------------------|-----------------|----------------|-------------------|
| Cash Receipts | | | | |
| Grants | | | | |
| Local Government | \$0 | \$24,000 | \$0 | \$24,000 |
| State Government | 0 | 77,365 | 0 | 77,365 |
| Federal Government | 0 | 11,196 | 0 | 11,196 |
| Gifts and Contributions | 15,311 | 0 | 1,800 | 17,111 |
| Sale of Products/Materials | 12,428 | 0 | 0 | 12,428 |
| Rentals | 117 | 0 | 0 | 117 |
| Sales Tax Collections for State of Ohio | 878 | 0 | 0 | 878 |
| Earnings on Investments | 2,974 | 0 | 0 | 2,974 |
| All Other Revenue | 3,021 | 0 | 4,942 | 7,963 |
| <i>Total Cash Receipts</i> | 34,729 | 112,561 | 6,742 | 154,032 |
| Cash Disbursements | | | | |
| Salaries | 0 | 77,871 | 0 | 77,871 |
| Supplies | 705 | 0 | 1,073 | 1,778 |
| Equipment | 525 | 0 | 1,779 | 2,304 |
| Contract Services/Cost Share Payment | 11,247 | 163 | 4,755 | 16,165 |
| Rentals | 0 | 12,000 | 0 | 12,000 |
| Information and Education | 6,882 | 0 | 0 | 6,882 |
| Travel and Expenses | 812 | 0 | 0 | 812 |
| Advertising and Printing | 920 | 0 | 0 | 920 |
| OPERS | 0 | 10,609 | 0 | 10,609 |
| Worker's Compensation | 0 | 951 | 0 | 951 |
| Medicare | 0 | 1,129 | 0 | 1,129 |
| Product/Materials for Resale | 10,813 | 0 | 0 | 10,813 |
| Annual Meeting/Banquet | 1,690 | 0 | 0 | 1,690 |
| Sales Tax Collections Forwarded to State of Ohio | 825 | 0 | 0 | 825 |
| Other | 157 | 9,231 | 0 | 9,388 |
| <i>Total Cash Disbursements</i> | 34,576 | 111,954 | 7,607 | 154,137 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | 153 | 607 | (865) | (105) |
| <i>Fund Cash Balances, January 1</i> | 117,198 | 3,946 | 2,776 | 123,920 |
| <i>Fund Cash Balances, December 31</i> | \$117,351 | \$4,553 | \$1,911 | \$123,815 |

See accompanying notes to the basic financial statements

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Vinton County Soil and Water Conservation District

Vinton County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 1 – Reporting Entity

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Other 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:

A Day in the Woods This fund accounts for the A Day in the Woods education program for landowners. These funds are being held in a partnership with Ohio State extension for the program.

Motley Marksmen NASP This fund accounts for the National Archery in Schools Program for homeschooled students in the County. These funds are used for purchasing supplies for the program.

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.

Vinton County Soil and Water Conservation District
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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 2023 budgetary activity appears in Note 3.

Deposits and Investments

The Vinton 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 Vinton County Treasurer, Vicki Maxwell, 100 E. Main Street, McArthur, OH 45651 or at treasurer@vintonco.com.

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

District employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, 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:

Vinton County Soil and Water Conservation District
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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 8.

Note 3 – Special Fund Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

| Fund | Budgeted Receipts | Actual Receipts | Variance |
|---------|----------------------|--------------------|----------|
| Special | \$112,561 | \$112,561 | \$0 |

| Fund | Appropriation Authority | Budgetary Expenditures | Variance |
|---------|----------------------------|---------------------------|----------|
| Special | \$111,954 | \$111,954 | \$0 |

Vinton County Soil and Water Conservation District
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 4 – Deposits and Investments

The District maintains a deposits and investments pool all funds use, except the Special Fund which is maintained by the Vinton 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>2023</u> |
|--------------------------------|-------------------------|
| Demand deposits | \$61,676 |
| Certificates of deposit | 22,502 |
| County Treasurer Deposits | <u>4,553</u> |
| Total deposits | <u>88,731</u> |
| STAR Ohio | <u>35,084</u> |
| Total investments | <u>35,084</u> |
| Total deposits and investments | <u><u>\$123,815</u></u> |

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

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

Note 5 – Risk Management

Workers' Compensation

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.

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Vinton County Soil and Water Conservation District
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 6 – 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.

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, 2023.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 8 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end there were no nonspendable balances.

The fund balance of the other funds is either restricted or committed. These restricted, committed, and assigned amounts in the other funds would include the outstanding encumbrances. In the special and district funds, outstanding encumbrances are considered assigned.

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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

Vinton County Soil and Water Conservation District
Vinton County
31935 State Route 93
McArthur, Ohio 45651

To the Board of Supervisors:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each fund as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Vinton County Soil and Water Conservation District, Vinton County, Ohio (the District) and have issued our report thereon dated October 20, 2025, wherein we noted the District followed financial reporting provisions the Ohio Department of Agriculture permits.

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 certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-001 through 2024-003 that we consider to be material weaknesses.

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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 20, 2025

**VINTON COUNTY SOIL AND WATER CONSERVATION DISTRICT
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

Material Weakness – Supporting Documentation

Maintaining organized documentation and support for financial transactions is essential in assuring the District's financial statements are not materially misstated and that all receipts are supported and expenditures are made for a proper public purpose.

The District did not maintain adequate supporting documentation for twenty-two percent of District Fund Sales of Products & Materials receipts tested for 2023. In addition, the District did not maintain adequate supporting documentation for ten percent of Other Fund Other Revenue receipts tested for 2023. We were unable to determine if the proper fee was charged due to the lack of documentation.

The District did not maintain adequate supporting documentation for twenty-two percent of District Fund Sales of Products & Materials receipts tested for 2024. We were unable to determine if the proper fee was charged due to the lack of documentation.

Lack of adequate supporting documentation eliminates a significant control, obscures the audit trail, and provides for the opportunity for errors and/or irregularities to occur and remain undetected for an extended period.

The District should maintain all receipt support in sufficient detail to determine proper amounts were collected and appropriately recorded to the District's ledgers.

Officials' Response: Order forms for services/retail items will be used moving forward. SOP will be updated for taking orders and recording them.

FINDING NUMBER 2024-002

Material Weakness – Cash Reconciliations

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Administrative Assistant and/or Treasurer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were not prepared or reviewed for each month of 2024 and 2023, and the cashbook did not include all District bank accounts. This resulted in interest receipts not being recorded on the manual cashbook, CD maturity amounts recorded as receipts and transfers to Star Ohio were recorded as disbursements. Failure to reconcile monthly increases the possibility that the District will not be able to identify, assemble, analyze, classify, and record its transactions correctly or document compliance with finance-related legal and contractual requirements.

**VINTON COUNTY SOIL AND WATER CONSERVATION DISTRICT
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
|--|

FINDING NUMBER 2024-002 (Continued)

Material Weakness – Cash Reconciliations (Continued)

Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud and could lead to inaccurate reporting in the annual financial statements.

The Administrative Assistant and/or Treasurer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response: All transactions are recorded each month. Bank account book/spreadsheet matches each month minus outstanding checks. Board reviews balances on the Treasurer's Report at every Board meeting.

FINDING NUMBER 2024-003

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 following errors were noted that required audit adjustment or reclassification:

2023:

- District Fund January 1, 2023 beginning cash balance was understated \$55,446 due to the omission of the certificate of deposit account balances from the Hinkle report;
- District Fund other receipts and other disbursements of \$33,883 were overstated due to the District recording a receipt and disbursement when closing a certificate of deposit account and opening a Star Ohio account;
- District Fund earnings on investment receipts of \$2,974 were unrecorded;
- Special Fund other revenue was overstated \$3,946; and
- Other Fund January 1, 2023 beginning cash balance was overstated \$960.

2024:

- District Fund other receipts were overstated \$22,992 and other disbursements were overstated \$62,992 due to the District recording a receipt when closing a certificate of deposit and two disbursements when transferring money into the Star Ohio account;
- District Fund transfer out of \$300 was incorrectly classified as an information and education disbursement and Other Fund transfer in of \$300 was incorrectly classified as an other revenue receipt; and
- Special Fund loan from County receipt of \$1,239 to eliminate the year end deficit fund balance was omitted from the annual financial report.

The audited financial statements and District's cash book have been adjusted for the errors noted above.

**VINTON COUNTY SOIL AND WATER CONSERVATION DISTRICT
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

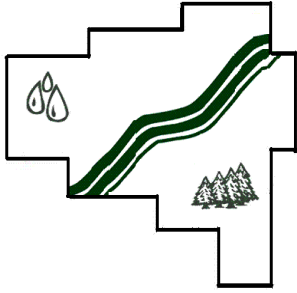
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| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
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FINDING NUMBER 2024-003 (Continued)

Material Weakness – Financial Reporting (Continued)

The Treasurer and Administrative Assistant should prepare the Hinkle filing from the cashbook for the District Fund and from the County ledgers for the Special Fund and ensure all bank accounts are included. The District should ensure beginning balances agree to prior year ending balances and ensure activity between bank accounts is not recorded as receipts and expenditures.

Officials' Response: Certificate of deposits were closed during the audit period. Columns for Star Ohio account interest will be added to minimize errors.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024 AND 2023

| Finding Number | Finding Summary | Status | Additional Information |
|-----------------------|---|----------------|--|
| 2022-001 | Material Weakness – Bank reconciliations | Not Corrected. | See officials' response in Schedule of Findings. |
| 2022-002 | Material Weakness – Supporting Documentation | Not Corrected | See officials' response in Schedule of Findings. |
| 2022-003 | Material Weakness - relating to several incorrect postings. | Not Corrected | See officials' response in Schedule of Findings. |

OHIO AUDITOR OF STATE KEITH FABER



VINTON COUNTY SOIL AND WATER CONSERVATION DISTRICT

VINTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/6/2025

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This report is a matter of public record and is available online at
www.ohioauditor.gov