

<b>Hamilton County Soil and Water Conservation District</b>			
<i>Hamilton County County, Ohio</i>			
<i>Combined Statement of Receipts, Disbursements</i>			
<i>and Changes in Fund Balances (Regulatory Cash Basis)</i>			
<i>For the Year Ended December 31, 2017</i>			
<b>To be submitted.</b>			<b>Totals</b>
	<b>District</b>	<b>Special</b>	<b>(Memorandum</b>
	<b>Fund</b>	<b>Fund</b>	<b>Only)</b>
<b>Cash Receipts</b>			
Taxes	\$0	\$0	\$0
Grants	\$0	\$0	
Local Government	\$0	\$590,260	590,260
State Government	\$0	\$212,664	212,664
Federal Government	\$0	\$0	0
Gifts and Contributions	\$638	\$49,930	50,568
Sale of Products/Materials	\$4,189	\$0	4,189
Rentals	\$30	\$0	30
Farm Harvest Income	\$0	\$0	0
All Other Revenue	\$3,547	\$3,956	7,503
<i>Total Cash Receipts</i>	<i>8,404</i>	<i>856,810</i>	<i>865,214</i>
<b>Cash Disbursements</b>			
Salaries	0	489,885	489,885
Supplies	1,261	9,675	10,936
Equipment	0	11,269	11,269
Contract Repairs	0	0	0
Contract Services/Cost Share Payment	0	71,956	71,956
Rentals	30	41,674	41,704
Service Fees	239	143	382
Information and Education	2,670	14,311	16,981
Travel and Expenses	0	12,965	12,965
Advertising and Printing	424	49,202	49,626
OPERS	0	68,373	68,373
Worker's Compensation	0	0	0
Unemployment Compensation	0	11,075	11,075
Hospitalization	0	95,445	95,445
Medicare	0	6,759	6,759
Product/Materials for Resale	281	0	281
Reimbursement - State Refunds	0	0	0
Vehicle Rental/Liability Insurance	0	0	0
Annual Meeting/Banquet	154	0	154
Other	1,314	56,416	57,730
<i>Total Cash Disbursements</i>	<i>6,373</i>	<i>939,148</i>	<i>945,521</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>2,031</i>	<i>(82,338)</i>	<i>(80,307)</i>

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	<b>District</b>	<b>Special</b>	<b>(Memorandum</b>
	<b>Fund</b>	<b>Fund</b>	<b>Only)</b>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	42,695	0	42,695
Transfers Out	(42,695)	0	(42,695)
Advances In	0	0	0
Advances Out	0	0	0
Other Financing Sources	0	0	0
Other Financing Uses	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	0
<i>Net Change in Fund Cash Balances</i>	2,031	(82,338)	(80,307)
<i>Fund Cash Balances, January 1</i>	55,739	922,637	978,376
<b>Fund Cash Balances, December 31</b>			
Nonspendable	0	0	0
Restricted	2,500	94,340	96,840
Committed	2,963	0	2,963
Assigned	0	683,625	683,625
Unassigned (Deficit)	52,307	62,334	114,641
<i>Fund Cash Balances, December 31</i>	<b>\$57,770</b>	<b>\$840,299</b>	<b>\$898,069</b>

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<i>For the Year Ended December 31, 2017</i>			
<b>To be submitted.</b>			Totals
	District	Special	(Memorandum
	Fund	Fund	Only)
*****			
***** <b>Fund Balance Classification Worksheet</b> *****			
*****			
<i>Net Change in Fund Cash Balances</i>	\$2,031	(\$82,338)	(\$80,307)
<i>Fund Cash Balances, January 1</i>	55,739	922,637	978,376
<i>Fund Cash Balances, December 31</i>	\$57,770	\$840,299	\$898,069
<b>Fund Balances</b>			
Amounts identified as:			
Nonspendable:			
Unclaimed Monies			\$0
Endowment for _____			0
Total Nonspendable	0	0	0
Restricted for:			
Grants			0
Western Reserve Land Conservancy	2,500	0	2,500
Save Local Waters contributor funds		72,651	72,651
Agrium Funds for Caring For Our Watersheds		21,689	21,689
Total Restricted	2,500	94,340	96,840

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<b>To be submitted.</b>	<b>District Fund</b>	<b>Special Fund</b>	<b>Totals (Memorandum Only)</b>
Committed to:			
Odegard/Diebel Scholarship Fund	2,963		2,963
			0
			0
Total Committed	2,963	0	2,963
Assigned to:			
Payroll Liabilities, Unemployment & Contingency		407,782	407,782
2018 Revenue received in 2017		70,962	70,962
Open Purchase Orders		5,306	5,306
District MS4 Program		199,575	199,575
Total Assigned	0	683,625	683,625
Unassigned	52,307	62,334	114,641
Total Fund Cash Balances, December 31	\$57,770	\$840,299	\$898,069

# **Hamilton County Soil and Water Conservation District**

## *Hamilton County*

### *Notes to the Financial Statements*

*For the Year Ended December 31, 2017*

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#### **Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Hamilton County SWCD, Hamilton 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 urban and agricultural lands through education, technical assistance and leadership. The District receives local and state appropriations to provide services that address local resource concerns.

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

The District participates in a jointly governed Regional Storm Water Collaboration, Save Local Waters. Note 8 to the financial statement provides additional information for this entity.

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

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

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

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (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.

##### ***Budgetary Process***

The Ohio Revised Code requires the Special Fund be budgeted annually.

**Appropriations** Budgetary expenditures may not exceed appropriations at the fund and object level of control. The levels of funding and expenditures are personnel expenses, operating expenses and capital outlay, and appropriations may not exceed estimated resources. The Board of Supervisors must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

# Hamilton County Soil and Water Conservation District

## Hamilton County

### Notes to the Financial Statements

For the Year Ended December 31, 2017

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**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 2017 budgetary activity appears in Note 3.

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

The Hamilton County Treasurer is the custodian for the District's Special Fund's cash and investments. The County's cash and investments hold 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 Hamilton County Treasurer, Robert A. Goering, 513-946-4820, located at 138 E. Court Street, Room 402, Cincinnati, Ohio 45202.

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.

#### ***Capital Assets***

The District records disbursements for acquisitions of equipment when paid. The accompanying financial statements do not report these items as assets. Office equipment and vehicles are owned by Hamilton County.

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

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Estimated accrued leave is reported under assigned funds on the Cash Basis Report.

#### ***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.

**Hamilton County Soil and Water Conservation District**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Special Fund Budgetary Activity**

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
Special	\$978,986	\$856,811	(\$122,175)

  

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$1,108,013	\$944,455	\$163,557

**Note 4 – Deposits and Investments**

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

	2017
Demand deposits	\$37,498
Certificates of deposit	20,272
Other time deposits (savings and NOW accounts)	
County Treasurer Deposits	840,299
Total deposits	898,069
Total investments	0
Total deposits and investments	\$898,069

**Deposits**

Deposits in the District Fund are insured by the Federal Depository Insurance Corporation

At December 31, 2017, \$840,299 of deposits were not insured or collateralized by securities held in the County's name, contrary to Ohio law.

**Note 5 - Risk Management**

Beginning in 1990, the County established an internal service fund titled Workers' Compensation Reserve to account for and finance its workers' compensation claims risk. All departments of the County participate in the program and make per capita payments to the internal service fund. The claims liability reported in the workers'

# Hamilton County Soil and Water Conservation District

## Hamilton County

### Notes to the Financial Statements For the Year Ended December 31, 2017

compensation internal service funds at December 31, 2017, is based on the requirements of Governmental Accounting Standards Board Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The County uses a prospectively billed program provided under the Bureau of Ohio Workers' Compensation to cover injured workers' claims.

The County's historical changes in claims payable during the past two years are as follows (amounts in thousands):

Year	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2015	\$ 1,260	\$ 949	\$ (1,048)	\$ 1,161
2016	1,161	1,023	(1,324)	860

At the time of preparing the notes, the 2017 information was not yet available. The 2016 information was used.

#### Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.

The District is self-insured for the following risks through the County:

- Vehicles (County owns vehicle); and
- Errors and omissions.

County employees are protected for their actions as long as they do not act in a "willful, wanton, or reckless manner or with malicious intent." The Prosecutor will defend the employee and the BOCC is responsible for any decisions against the County as a result of their actions. Because there is no insurance policy, we are technically not "covered," but we are protected.

#### Self-Insurance

The County provides employees' health-care coverage through a self-insurance program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Anthem reviews all claims for Anthem plans, which are then paid by the County. Separately, the County purchases stop-loss coverage from SunLife of \$500,000 per employee and an aggregate limit of 120% of expected claims and a \$5,000,000 lifetime (per member) maximum.

The County pays into the self-insurance internal service fund based on one of three plan options, according to the grid below (amounts not rounded). In 2017, the County collected the monthly District's employer cost in May. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

Medical Insurance	Coverage Level	Monthly Plan Value	Monthly Employer Cost	Monthly Employee Contribution	Biweekly Employee Contribution	Semi- Monthly Employee Contribution
Blue \$2500	Single	\$ 478.80	\$ 437.40	\$41.40	\$19.11	\$20.70
	Double	\$957.23	\$890.46	\$66.77	\$30.82	\$33.39
	Family	\$1,503.64	\$1,407.91	\$95.73	\$44.18	\$47.87
Green 1000	Single	\$513.10	\$451.93	\$61.17	\$28.23	\$30.59
	Double	\$1,025.80	\$912.96	\$112.84	\$52.08	\$56.42

# Hamilton County Soil and Water Conservation District

## Hamilton County

### Notes to the Financial Statements For the Year Ended December 31, 2017

	Family	\$1,611.36	\$1,439.50	\$171.86	\$79.32	\$85.93
Orange 500	Single	\$592.26	\$426.24	\$166.02	\$76.62	\$83.01
	Double	\$1,184.05	\$827.37	\$356.68	\$164.62	\$178.34
	Family	\$1,859.93	\$1,285.31	\$574.62	\$265.21	\$287.31

A portion of the claims liability (\$3,566,000) reported in the Medical Self-Insurance Fund at December 31, 2016 (latest information available), is estimated by the external actuarial and is based on the requirements of GASB 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the County's self-insurance fund's claims liability payable during the past two years are as follows (amounts in thousands):

Year	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2015	\$ 4,194	\$ 37,399	\$ (36,473)	\$ 5,120
2016	5,120	42,147	(42,682)	4,585

At the time of preparing the notes, the 2017 information was not yet available. The 2016 information was used.

The County participates in the Ohio Fire Marshall Underground Storage Tank Insurance program for environmental risks of underground fuel storage tanks.

#### Self-Insurance Footnote Comments:

The County is self-insured for liability. ORC section 2744.08 refers. This applies to all County departments and agencies. Any claims or judgments are paid from the General Fund.

#### Note 6 - Defined Benefit Pension Plans

##### Ohio Public Employees Retirement System

All 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% of their gross salaries, and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2017.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2012-2017	10%	14%

#### Note 7 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

**Hamilton County Soil and Water Conservation District**

*Hamilton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2017*

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**Note 8 – Joint Ventures**

Save Local Water is a Regional Storm Water Collaborative of MS4 jurisdictions in Southwest Ohio and Northern Kentucky joined together to fulfill the education and community involvement component of the USEPA NPDES Phase II program. Each jurisdiction pays in .0225/capita for mass media marketing and programs. General disbursements are for general supplies and program costs. Revenues are membership fees.