

<b>Hamilton County Soil and Water Conservation District</b>			
<i>Hamilton 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, 2018</i>			
<b>To be submitted.</b>			
	District	Special	Totals
	Fund	Fund	(Memorandum
			Only)
<b>Cash Receipts</b>			
Taxes	\$0	\$0	\$0
Grants	\$0	\$0	
Local Government	\$2,236	\$586,475	588,711
State Government	\$0	\$180,734	180,734
Federal Government	\$0	\$0	0
Gifts and Contributions	\$105	\$79,624	79,729
Sale of Products/Materials	\$3,652	\$0	3,652
Rentals	\$30	\$0	30
Farm Harvest Income	\$0	\$0	0
All Other Revenue	\$3,108	\$8,200	11,308
<i>Total Cash Receipts</i>	9,131	855,033	864,164
<b>Cash Disbursements</b>			
Salaries	0	491,627	491,627
Supplies	421	8,675	9,096
Equipment	0	718	718
Contract Repairs	0	0	0
Contract Services/Cost Share Payment	0	23,459	23,459
Rentals	0	55,255	55,255
Service Fees	117	358	475
Information and Education	4,325	7,750	12,075
Travel and Expenses	0	11,159	11,159
Advertising and Printing	1,319	57,177	58,496
OPERS	0	68,737	68,737
Worker's Compensation	0	0	0
Unemployment Compensation	0	0	0
Hospitalization	0	121,189	121,189
Medicare	0	6,722	6,722
Product/Materials for Resale	1,256	0	1,256
Reimbursement - State Refunds	0	0	0
Vehicle Rental/Liability Insurance	0	964	964
Annual Meeting/Banquet	469	0	469
Other	1,959	50,931	52,890
<i>Total Cash Disbursements</i>	9,866	904,721	914,587
<i>Excess of Receipts Over (Under) Disbursements</i>	(735)	(49,688)	(50,423)

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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	0	0	0
Transfers Out	0	0	0
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>	(735)	(49,688)	(50,423)
<i>Fund Cash Balances, January 1</i>	57,770	840,299	898,069
<b>Fund Cash Balances, December 31</b>			
Nonspendable	0	0	0
Restricted	173	169,210	169,383
Committed	3,172	0	3,172
Assigned	0	587,006	587,006
Unassigned (Deficit)	53,690	34,396	88,086
<i>Fund Cash Balances, December 31</i>	<b>\$57,035</b>	<b>\$790,612</b>	<b>\$847,647</b>

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	District	Special	(Memorandum
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*****			
*** <b>Fund Balance Classification Worksheet</b> ***			
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<i>Net Change in Fund Cash Balances</i>	(\$735)	(\$49,688)	(\$50,423)
<i>Fund Cash Balances, January 1</i>	57,770	840,299	898,069
<i>Fund Cash Balances, December 31</i>	\$57,035	\$790,611	\$847,646
<b>Fund Balances</b>			
Amounts identified as:			
Nonspendable:	0	0	
Unclaimed Monies	0	0	\$0
Endowment for _____	0	0	0
Total Nonspendable	0	0	0
Restricted for:			
Grants	0	0	0
OEEF Bectold Grant	0	42,838	42,838
ONDR Aquatic Grant	173	0	173
Save Local Waters Contributor Funds	0	77,372	77,372
Agrium/Nutrien Funs Caring for Our Watershed		49,000	49,000
Total Restricted	173	169,210	169,383

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<i>For the Year Ended December 31, 2018</i>			
<b>To be submitted.</b>			Totals
	District	Special	(Memorandum
	Fund	Fund	Only)
Committed to:			
Odegard Diebel Scholarship Fund	3,172	0	3,172
	0	0	0
	0	0	0
Total Committed	3,172	0	3,172
Assigned to:			
Payroll Liabilities, Unemployment & Constingency	0	410,444	410,444
2019 Revenue received in 2018	0	74,240	74,240
Open Purchase orders	0	8,181	8,181
District MS4 Program	0	94,140	94,140
Total Assigned	0	587,005	587,005
Unassigned	53,690	34,396	88,086
<i>Total Fund Cash Balances, December 31</i>	<i>\$57,035</i>	<i>\$790,611</i>	<i>\$847,646</i>

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

*Hamilton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2018*

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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 Soil and Water Conservation District, 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 and 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 9 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.



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

*Hamilton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2018*

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### ***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 or 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.

**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 Hamilton 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 Hamilton County Treasurer, Robert a. Goering, 513-946-4820, located at 138 E. Court Street, Room 402, Cincinnati, OH 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.

## Hamilton County Soil and Water Conservation District

### Hamilton County

#### Notes to the Financial Statements

For the Year Ended December 31, 2018

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

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

#### ***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The District classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

***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.

**Hamilton County Soil and Water Conservation District**  
*Hamilton 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			
Fund	Budgeted Receipts	Actual Receipts	Variance
Special	\$830,412	\$855,033	\$24,621

  

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$1,094,965	\$912,903	\$182,062

**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:

	2018
Demand deposits	\$7,300
Certificates of deposit	20,499
Other time deposits (savings and NOW accounts)	29,150
Credit Card Rewards	86
County Treasurer Deposits	790,611
Total deposits	847,646
Total investments	0
Total deposits and investments	\$847,646

***Deposits***

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

At December 31, 2018, \$790,611 of deposits were not insured or collateralized by securities held in the County's name, contrary to Ohio law.



**Hamilton County Soil and Water Conservation District**  
*Hamilton County*  
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*For the Year Ended December 31, 2018*

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**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' compensation internal service funds at December 31, 2018, 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):

	Beginning	Claims and Changes in	Claims	Ending
<u>Year</u>	<u>Balance</u>	<u>Estimates</u>	<u>Payments</u>	<u>Balance</u>
2016	\$1,161	\$1,023	\$(1,324)	\$860
2017	860	1,092	(598)	1,354

At the time of preparing the notes, the 2018 information was not yet available. The 2017 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.

## Hamilton County Soil and Water Conservation District

### Hamilton County

#### Notes to the Financial Statements

For the Year Ended December 31, 2018

#### **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 2018, the County collected the monthly District's employer cost in February. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

<b>Medical Insurance</b>	<b>Coverage Level</b>	<b>Monthly Plan Value</b>	<b>Monthly Employer Cost</b>	<b>Monthly Employee Contribution</b>	<b>Biweekly Employee Contribution</b>
Blue \$2500	Single	\$ 495.00	\$453.60	\$41.40	\$19.11
	Double	\$989.00	\$922.23	\$66.77	\$30.82
	Family	\$1,553.00	\$1,457.271	\$95.73	\$44.18
Green 1000	Single	\$530.00	\$468.83	\$61.17	\$28.23
	Double	\$1,060.00	\$947.16	\$112.84	\$52.08
	Family	\$1,664.00	\$1,492.14	\$171.86	\$79.32
Orange 500	Single	\$612.00	\$445.98	\$166.02	\$76.62
	Double	\$1,223.00	\$866.32	\$356.68	\$164.62
	Family	\$1,921.00	\$1,346.38	\$574.62	\$265.21

A portion of the claims liability (\$3,388,000) reported in the Medical Self-Insurance Fund at December 31, 2017 (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.

**Hamilton County Soil and Water Conservation District**

*Hamilton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2018*

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

	Beginning	Claims and Changes in	Claims	Ending
<u>Year</u>	<u>Balance</u>	<u>Estimates</u>	<u>Payments</u>	<u>Balance</u>
2016	\$5,120	\$42,147	\$(42,682)	\$4,585
2017	4,585	42,217	(42,466)	4,336

At the time of preparing the notes, the 2018 information was not yet available. The 2017 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, 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>

**Note 7 - Postemployment Benefits**

OPERS offer 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 .0 percent during calendar year 2018.

**Hamilton County Soil and Water Conservation District**

*Hamilton County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2018*

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**Note 8 – Construction and Contractual Commitments**

The District received on OEEF grant during the year of 2018. The contract for the project is to install a flap gate in one of Hamilton County's communities. All of the balance of \$42,838 is encumbered/committed for the project. The balance \$42,838 of the funds will be used to complete the project with an anticipated date in 2020 or sooner.

**Note 9 – 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 .025/capita for mass media marketing and programs. General disbursements are for general supplies and program costs. Revenues are membership fees.