

**Clermont
Soil and Water Conservation District
Clermont County
Regulatory Basis Footnote Shell**

Revised December 2018

Note: This shell is a guide for preparing your annual footnotes to the financial statements when filed on the Regulatory Basis. These footnotes are not all-inclusive and might include disclosures not applicable to your particular District. Modify, delete, or add additional disclosures as necessary.

Items highlighted in yellow are provided for guidance purposes only and should be deleted prior to submission.

See GASB Codification 2300 – Notes to the Financial Statements. As communicated in paragraph .102, the notes to the financial statements should communicate information essential for fair presentation of the basic financial statements that is not displayed on the face of the financial statements. As such, the notes form an integral part of the basic financial statements.

Items highlighted in green are items that are generic, and should be reviewed for entity specific information and modified to report specifics for your district.

In this sample 20CY means current year and 20PY means prior year and would be replaced with the four digit current year (for example 2017) or four digit prior year (for example 2016).

Clermont SWCD
Clermont County
Notes to the Financial Statements
For the Year Ending December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Clermont SWCD, Clermont 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 contracts with the Clermont Office of Environmental Quality to provide recycling and litter prevention programs in county schools.

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

The District participates in the jointly governed organization, Save Local Waters. Note 9 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.

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:
Watershed Action Grant from ODA, the funds deposited in the Special Fund

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

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

Appropriations: Budgetary expenditures may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board of Supervisors must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

Estimated Resources: Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

The Clermont 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 Clermont County Treasurer Jeannie Zurmehly, 101 E. Main St., Batavia, OH 45103

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 property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

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

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

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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.

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	\$450,255	\$540,318	\$90,063

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$519,411	\$500,549	\$18,862

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 Clermont 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	\$49,644
Certificates of deposit	100,612
Other time deposits (savings and NOW accounts)	
County Treasurer Deposits	
Total deposits	150,256
U.S. Treasury Notes	
Total investments	0
Total deposits and investments	\$150,256

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Deposits

Deposits are insured by the Federal Deposit Insurance Corporation. At December 31, 2018, \$0 of deposits were not insured or collateralized, contrary to Ohio law.

Note 5 – Risk Management

Clermont SWCD belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2016 and 2017 (the latest information available).

	2016	2017
Assets	\$14,766,000	\$14,853,620
Liabilities	(9,532,000)	(9,561,108)
Members’ Equity	\$5,234,000	\$5,292,512

You can read the complete audited financial statements for OPRM at the plan’s website, www.ohioplan.org.

Clermont County is a member of a group retro for Worker’s Compensation

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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Clermont County
Notes to the Financial Statements
For the Year Ending December 31, 2018

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

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All five (5) employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2018.

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

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 2.0 percent during calendar year 2018.

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow, however, based on prior experience, management believes any refunds would be immaterial.

Note 9 – Jointly Governed Organizations

Save Local Waters 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 fee.

Clermont Soil and Water Conservation District				
<i>Clermont 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>				
To be submitted.				
	District	Special		Totals
	Fund	Fund		(Memorandum
				Only)
Cash Receipts				
Taxes				\$0
Grants				
Local Government	1,500	288,561		290,061
State Government		251,757		251,757
Federal Government	6,454			6,454
Gifts and Contributions	7,098			7,098
Sale of Products/Materials	9,288			9,288
Rentals				0
Farm Harvest Income				0
All Other Revenue	2,120			2,120
<i>Total Cash Receipts</i>	26,460	540,318	0	566,778
Cash Disbursements				
Salaries		249,947		249,947
Supplies	420	5,141		5,561
Equipment				0
Contract Repairs		2,291		2,291
Contract Services/Cost Share Payment	840	67,583		68,423
Rentals		15,737		15,737
Service Fees				0
Information and Education	1,666	2,357		4,023
Travel and Expenses	339	7,373		7,712
Advertising and Printing		951		951
OPERS		34,783		34,783
Worker's Compensation		1,935		1,935
Unemployment Compensation				0
Hospitalization	4,113	70,447		74,560
Medicare		3,356		3,356
Product/Materials for Resale	6,634			6,634
Insurance - all		3,396		3,396
Website & Licensing Fees		2,601		2,601
Telephone		4,562		4,562
Professional Dues / Memberships		6,696		6,696
Annual Meeting/Banquet	9,816			9,816
NPDES Permit Fee		10,000		
Watershed Grant		10,124		
Other	1,669	1,269		2,938
<i>Total Cash Disbursements</i>	25,497	500,549	0	505,922
<i>Excess of Receipts Over (Under) Disbursements</i>	962	39,769	0	60,856

Clermont Soil and Water Conservation District				
<i>Clermont 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>				
To be submitted.				Totals
	District	Special		(Memorandum
	Fund	Fund		Only)
Other Financing Receipts (Disbursements)				
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	962	39,769	0	40,732
<i>Fund Cash Balances, January 1, 2018</i>	149,293	224,956		374,249
Fund Cash Balances, December 31, 2018	150,255	264,725		
Nonspendable	0	0	0	0
Restricted	0	264,725	0	264,725
Committed	0	0	0	0
Assigned	150,256	0	0	150,256
Unassigned (Deficit)	(1)	0	0	(0)
<i>Fund Cash Balances, December 31</i>	\$150,255	\$264,725	\$0	\$414,981

Clermont Soil and Water Conservation District				
<i>Clermont 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>				
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To be submitted.				Totals
	District	Special		(Memorandum
	Fund	Fund		Only)
***** **** Fund Balance Classification Worksheet **** *****				
<i>Net Change in Fund Cash Balances</i>	\$962	\$39,769	\$0	\$40,732
<i>Fund Cash Balances, January 1, 2018</i>	149,293	224,956	0	374,249
<i>Fund Cash Balances, December 31, 2018</i>	\$150,255	\$264,725	\$0	\$414,981
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Fund Balances				
Amounts identified as:				
Nonspendable:				
Unclaimed Monies				\$0
Endowment for _____				0
Total Nonspendable	0	0	0	0
Restricted for:				
<u>Grants - Watershed Grant</u>		27,789		27,789
<u>Special Fund</u>		236,936		236,936
_____				0
_____				0
Total Restricted	0	264,725	0	264,725
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Clermont Soil and Water Conservation District				
<i>Clermont 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>				
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To be submitted.				Totals
	District Fund	Special Fund		(Memorandum Only)
Committed to:				0
_____				0
_____				0
Total Committed	0	0	0	0
Assigned to:				0
<u>District Fund</u>	150,256			150,256
_____				0
_____				0
Total Assigned	150,256	0	0	150,256
Unassigned	(1)	0	0	(0)
<i>Total Fund Cash Balances, December 31</i>	\$150,255	\$264,725	\$0	\$414,981