



OHIO AUDITOR OF STATE
KEITH FABER



**CLERMONT COUNTY PARK DISTRICT
CLERMONT COUNTY**

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CLERMONT COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Clermont County Park District
Clermont County
2228 US Highway 50
Batavia, Ohio 45103

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clermont County Park District, Clermont County, Ohio (the District), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clermont County Park District, Clermont County, Ohio, as of December 31, 2018 and 2017, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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
Auditor of State

Columbus, Ohio

September 5, 2019

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The discussion and analysis of the Clermont County Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2018, within the limitations of the District's cash basis accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2018 are as follows:

- The net position of the District is \$2,361,478. Of this amount, \$1,271,605 (unrestricted) may be used to meet the District's ongoing park programs.
- The District's general receipts are primarily property taxes and intergovernmental receipts. These receipts represent respectively \$4,419,784 and 95.4% of the total cash received for governmental activities during the year.
- In 2018, the District received a \$1.82 million grant from the Ohio Public Works Commission for the "Grailville Preserve Expansion Project." The grant was used to acquire and preserve approximately 40 acres of rolling meadows located in Miami Township and adjacent to the 73 acre preserve purchased in 2017 also with grant funds from the Ohio Public Works Commission.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the District as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2018, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are split into the following category:

Governmental Funds - All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund and Capital Projects Fund.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

District-wide Financial Analysis

Table 1 provides a summary of the District's net position for 2018 compared to 2017.

Table 1
Net Position

	Governmental Activities	
	2018	2017
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 2,361,478	\$ 2,047,069
<i>Total Assets</i>	<u>2,361,478</u>	<u>2,047,069</u>
NET POSITION		
Restricted for Capital Outlay	1,089,873	394,373
Unrestricted	<u>1,271,605</u>	<u>1,652,696</u>
<i>Total Net Position</i>	<u>\$ 2,361,478</u>	<u>\$ 2,047,069</u>

Table 2 provides a summary of the changes in net position for 2017 compared to 2016.

Table 2
Changes in Net Position

	Governmental Activities	
	2018	2017
Program Cash Receipts:		
Charges for Services	\$ 127,962	\$ 135,832
Operating Grants and Contribution	1,030	25,000
Capital Grants and Contribution	1,820,000	1,875,000
General Cash Receipts:		
Property Taxes	2,501,457	2,454,746
Unrestricted Grants	98,327	96,673
Investment Earnings	31,584	15,345
Other	<u>51,433</u>	<u>36,733</u>
<i>Total Revenues</i>	4,631,793	4,639,329
Cash Disbursements		
Conservation and Recreation	1,264,224	973,263
Capital Outlay	3,019,649	1,972,922
Principal Retirement	27,900	26,900
Interest and Fiscal Charges	<u>5,611</u>	<u>6,298</u>
<i>Total Cash Disbursements</i>	<u>4,317,384</u>	<u>2,979,383</u>
<i>Increase (Decrease) in Net Position</i>	314,409	1,659,946
Beginning Net Position	<u>2,047,069</u>	<u>387,123</u>
Ending Net Position	<u>\$ 2,361,478</u>	<u>\$ 2,047,069</u>

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Governmental Activities

The District's governmental activities are related to conservation and recreation for its nine parks. This includes the maintenance and upkeep of the parks, offering many nature programs throughout the year to families, offering a variety of facilities to be reserved for picnics, weddings, meetings, reunions, holiday gatherings and other group functions, and improving its parks to meet the needs of the residents of Clermont County.

Capital disbursements increased by \$1,046,727 in 2018 due the start of construction on the Shor Park Restrooms and Shelter. Conservation and Recreation disbursements increased by \$290,961 due an increase in salaries and benefits.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,361,478. Of this amount, \$1,073,199 constitutes unassigned fund balance. \$1,288,279 of fund balance is assigned. This indicates that it is not available for new spending because it is intended to be used by the District for specific purposes.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,073,199, while the total fund balance was \$1,271,550. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund disbursements. Unassigned fund balance represents 33.6% of the total general fund expenditures and other financing uses.

Property taxes and intergovernmental revenue account for 92.5% of revenues in the General Fund. In 2018, the District received an Ohio Public Works Commission (OPWC) grant for \$1.82 million to acquire and preserve 40 acres of land in Miami Township.

The Capital Projects Fund accounts for and manages the District's capital expenditures. The Capital Projects Fund is funded through transfers from the General Fund. In 2018, the General Fund transferred \$1,750,643 to the Capital Projects Fund. At the end of the fiscal year, the Capital Projects fund balance was \$1,079,424 with 100% of the balance assigned for capital projects.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

During the course of 2018, the District amended its general fund budget. All recommendations for the budget were reviewed by the Clermont County Park Board for adoption of a resolution on the change. With the General Fund supporting many of our major activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending. Other expenses increased by \$174,415 due to additional building repairs, grounds maintenance. Transfers to the Capital Projects Fund increased by \$735,000 to fund additional planned capital projects.

Capital Assets and Debt Administration

Capital Assets: The District's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$13,398,657 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, vehicles, furniture, and equipment. In 2018, The District's capital purchases included approximately 40 acres of land, vehicles, playground equipment and a chipper.

Note 5 (Capital Assets) provides capital asset activity during 2018.

Long-term Debt: At the end of 2018, the District had a special obligation bond outstanding in the amount of \$192,900 which is backed by the full faith and credit of the District. The debt was issued in 2013 to refund the 2004 Special Obligation Bond for the Chilo Lock and Dam Project. Additional information on the District's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budget

The District has maintained a conservative approach to spending while maximizing its revenues, seeking grants and donations for special projects. The reduced revenue from the discontinuation of personal property taxes and the removal of the personal property reimbursement required the District to seek an alternative source of revenue to fund operations and allow for future growth. In November 2016, voters approved a .5 mill ten-year levy for funding the District's operations, upgrades and repairs to aging facilities, and capital projects. The levy is generating approximately \$2 million annually in additional property tax revenue for the District. The District's 2018 and 2019 budgets reflect the additional revenue source

Requests for Information

This financial report is designed to provide our citizens, creditors, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Chris Clingman, Clermont County Park District, 2228 Hwy. 50, Batavia, Ohio 45103, (513)732-2977, (email at parkdistrict@clermontcountyohio.gov).

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**Clermont County Park District
Clermont County
Statement of Net Position - Cash Basis
December 31, 2018**

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 2,361,478
Total Assets	<u>2,361,478</u>
NET POSITION	
Restricted for Capital Outlay	1,089,873
Unrestricted	<u>1,271,605</u>
Total Net Position	<u>\$ 2,361,478</u>

See accompanying notes to the basic financial statements.

Clermont County Park District
Clermont County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
<i>Current:</i>					
Conservation and Recreation	\$ 1,264,224	\$ 127,962	\$ 1,030	\$ 0	\$ (1,135,232)
Capital Outlay	3,019,649	0	0	1,820,000	(1,199,649)
<i>Debt Service:</i>					
Principal Retirement	27,900	0	0	0	(27,900)
Interest and Fiscal Charges	5,611	0	0	0	(5,611)
Total Governmental Activities	\$ 4,317,384	\$ 127,962	\$ 1,030	\$ 1,820,000	(2,368,392)
General cash receipts:					
Property Taxes					2,501,457
Grants and Entitlements not Restricted to Specific Programs					98,327
Investment Earnings					31,584
Other					51,433
Total general cash receipts					2,682,801
Change in Net Position					314,409
Net Position - beginning					2,047,069
Net Position - ending					\$ 2,361,478

See accompanying notes to the basic financial statements.

Clermont County Park District
Clermont County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2018

	<u>General Fund</u>	<u>Park District Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,271,550	\$ 1,079,424	\$ 10,504	\$ 2,361,478
Total assets	<u>\$ 1,271,550</u>	<u>\$ 1,079,424</u>	<u>\$ 10,504</u>	<u>\$ 2,361,478</u>
Fund balances:				
Assigned for Capital Projects	0	1,079,424	10,449	1,089,873
Assigned for Encumbrances	198,351	0	0	198,351
Assigned for Debt Service	0		55	55
Unassigned	1,073,199	0	0	1,073,199
Total fund balances	<u>\$ 1,271,550</u>	<u>\$ 1,079,424</u>	<u>\$ 10,504</u>	<u>\$ 2,361,478</u>

See accompanying notes to the basic financial statements.

Clermont County Park District
Clermont County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Park District Capital Projects	Other Governmental Funds	Total Governmental Funds
RECEIPTS				
Property Taxes	\$ 2,501,457	\$ 0	\$ 0	\$ 2,501,457
Charges for Services	127,962	0	0	127,962
Intergovernmental	98,327	1,820,000	0	1,918,327
Interest	31,584	0	0	31,584
Other Revenue	49,958	0	2,500	52,458
Total Receipts	<u>2,809,288</u>	<u>1,820,000</u>	<u>2,500</u>	<u>4,631,788</u>
DISBURSEMENTS				
Current:				
Conservation and Recreation	1,264,224	0	0	1,264,224
Capital Outlay	142,005	2,877,644	0	3,019,649
Debt service:				
Principal Retirement	0	0	27,900	27,900
Interest and Fiscal Charges	0	0	5,611	5,611
Total Disbursements	<u>1,406,229</u>	<u>2,877,644</u>	<u>33,511</u>	<u>4,317,384</u>
Excess of Receipts Over (Under) Disbursements	1,403,059	(1,057,644)	(31,011)	314,404
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	5	0	0	5
Transfers-in	0	1,750,643	33,531	1,784,174
Transfers-out	(1,784,174)	0	0	(1,784,174)
Total other financing sources and (uses)	<u>(1,784,169)</u>	<u>1,750,643</u>	<u>33,531</u>	<u>5</u>
Net Change in fund balances	(381,110)	692,999	2,520	314,409
Fund balances -- beginning	1,652,660	386,425	7,984	2,047,069
Fund balances -- ending	<u>\$ 1,271,550</u>	<u>\$ 1,079,424</u>	<u>\$ 10,504</u>	<u>\$ 2,361,478</u>

See accompanying notes to the basic financial statements.

**Clermont County Park District
Clermont County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual- Budget Basis
For the Year Ended December 31, 2018**

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,454,670	\$ 2,454,670	\$ 2,501,457	\$ 46,787
Charges for services	120,000	120,000	127,962	7,962
Intergovernmental	95,000	95,000	98,327	3,327
Interest	12,000	12,000	31,584	19,584
Other revenues	8,000	8,000	49,958	41,958
Total revenues	<u>2,689,670</u>	<u>2,689,670</u>	<u>2,809,288</u>	<u>119,618</u>
Expenditures:				
Current:				
Conservation and Recreation	1,885,071	1,917,481	1,462,575	454,906
Capital Outlay	0	142,005	142,005	0
Total expenditures	<u>1,885,071</u>	<u>2,059,486</u>	<u>1,604,580</u>	<u>454,906</u>
Excess of revenues over expenditures	<u>804,599</u>	<u>630,184</u>	<u>1,204,708</u>	<u>574,524</u>
Other financing sources (uses):				
Operating transfers (out)	(1,049,174)	(1,784,174)	(1,784,174)	0
Proceeds of sale of capital assets	0	0	5	5
Total other financing sources (uses)	<u>(1,049,174)</u>	<u>(1,784,174)</u>	<u>(1,784,169)</u>	<u>5</u>
Net Change in Fund Balance	(244,575)	(1,153,990)	(579,461)	574,529
Fund balance at beginning of year	1,441,304	1,441,304	1,441,304	0
Prior year encumbrances appropriated	211,356	211,356	211,356	0
Fund balance at end of year	<u>\$ 1,408,085</u>	<u>\$ 498,670</u>	<u>\$ 1,073,199</u>	<u>\$ 574,529</u>

See accompanying notes to the basic financial statements

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Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

Clermont County Park District, Clermont County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Clermont County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

The primary government includes all funds, departments, and boards for which the District is financially accountable. The District does not have any component units.

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the District's accounting policies are described below.

Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the financial condition of the governmental activities for the District at year end. The statement of activities presents a comparison between disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular program.

Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of disbursements with program receipts identifies the extent to which each governmental program is self-financing or draws from the general receipts of the District.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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 in one category: governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the District's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for new capital assets or improvements to existing assets within the District.

The other governmental funds of the District account for other resources whose use is restricted for a particular purpose and for resources received for debt payments.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate. The appropriations resolution is the District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County Park Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Park Board during the year including all supplemental appropriations.

Cash and Investments

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the District as a whole may be obtained from the Clermont County Auditor, Linda L. Fraley, 101 E Main St. 2nd Floor, Batavia, Ohio 45103, www.clermontauditor.org, (513) 732-7150.

Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Interfund Receivables/Payables

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Long-Term Obligations

The District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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 or enabling legislation (District resolutions).

Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District. Those committed amounts cannot be used for any other purpose unless the District remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the District, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District or by State Statute.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$198,351 for the general fund

Note 4 – Property Taxes

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2017 were based, are as follows:

Real Property	\$ 4,427,618,770
Public Utility and Personal Property	<u>261,394,900</u>
Total Assessed Property Value	<u>\$ 4,689,013,670</u>

Real property taxes collected in 2018 were levied after October 1, 2017 on the assessed values of the preceding January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in tax year 2014. Real property taxes are payable annually or semi-annually. In 2018, if paid annually, payment was due by February 9, 2018. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 9, 2018 with the remainder due July 6, 2018.

The County Auditor distributes portions of the taxes collected to all taxing districts with periodic settlements of Real and Public Utility property taxes in February and August. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills without a vote of the people. For 2018 collections, the County levied .10 mills of the 10 mill limit for the District. In addition, to the .10 mills, .5 mills were levied for voted millage for the District.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	<u>Balance</u> <u>12/31/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2018</u>
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 6,585,125	\$ 1,827,753	\$ 0	\$ 8,412,878
Intangibles-Easements	92,844	0	0	92,844
Construction in Progress	1,035,172	958,077	(1,021,597)	971,652
Total Capital Assets at Historical Cost not being depreciated	<u>7,713,141</u>	<u>2,785,830</u>	<u>(1,021,597)</u>	<u>9,477,374</u>
Capital Assets being depreciated:				
Building and Improvements	4,109,336	1,021,597	0	5,130,933
Furniture, Fixtures, and Equipment	311,139	233,819	0	544,958
Total Capital Assets at Historical cost being depreciated	<u>4,420,475</u>	<u>1,255,416</u>	<u>0</u>	<u>5,675,891</u>
Less Accumulated Depreciation:				
Building and Improvements	(1,332,492)	(161,866)	0	(1,494,358)
Furniture, Fixtures, and Equipment	(236,811)	(23,439)	0	(260,250)
Total Accumulated Depreciation	<u>(1,569,303)</u>	<u>(185,305)</u>	<u>0</u>	<u>(1,754,608)</u>
Total Capital Assets, being depreciated, net	<u>2,851,172</u>	<u>1,070,111</u>	<u>0</u>	<u>3,921,283</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,564,313</u>	<u>\$ 3,855,941</u>	<u>\$ (1,021,597)</u>	<u>\$ 13,398,657</u>

Note 6 – Long-Term Debt

Long-term debt and other obligations of the District at December 31, 2018 were as follows:

Governmental Activities							
	<u>Interest</u>		<u>Balance</u>			<u>Balance</u>	<u>Amounts Due</u>
	<u>Rate %</u>	<u>Maturity</u>	<u>12/31/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2018</u>	<u>in One Year</u>
Special Obligation Bonds							
2013 Special Obligation Improvement Bond	2.55%	2024	\$ 220,800	\$ 0	\$ 27,900	\$ 192,900	\$ 29,100

Annual debt service requirements for the District's long-term debt are as follows:

Year	Special Obligation Bond	
	Principal	Interest
2019	29,100	4,919
2020	30,300	4,177
2021	31,400	3,404
2022	32,700	2,604
2023	34,000	1,770
2024	35,400	903
Total	<u>\$ 192,900</u>	<u>\$ 17,777</u>

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Long-Term Debt (Continued)

Special Obligation Bond

In 2004, the District issued a special obligation bond in the amount of \$500,000 for the renovating, equipping and furnishing the Chilo Lock and Dam No. 34 Operation Building and adjacent Lockmaster House. The debt requires semi-annual interest payments and annual principal payments beginning June 1, 2004 through December 1, 2024. In June 2013, the District refunded these bonds with an interest rate of 2.55%. The 2013 Special Obligation Bond requires semi-annual interest payments and annual principal payments beginning December 1, 2013 through December 1, 2024.

Note 7 - Risk Management

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District belongs to the Ohio Government Risk Management Plan (the Plan), a risk-sharing pool available to Ohio local governments. The Pool provides property and casualty coverage for its members. Member governments pay annual contributions to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

The Plan retains property risks, including automobile physical damage, up to \$4,000,000 on any specific loss in any one occurrence.

The aforementioned casualty and property reinsurance agreements do not discharge the Plan's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local government. Settled claims have not exceeded coverage in any of the past five years.

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.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Public Employees Retirement System:

All full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS) which is a public employee retirement system created by the State of Ohio. OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan - a cost sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings.
- The Combined Plan - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 8 - Defined Benefit Pension Plans (Continued)

OPERS, provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS, issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2018, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2018 was 10.0% for employees. The 2018 employer contribution rate was 14.0% of covered payroll. The District's contributions to PERS for the years ended December 31, 2018, 2017, and 2016, were \$70,301; \$42,579; and \$33,157, respectively, 100% has been contributed for the above years, respectively.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Tradition Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Tradition Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The 2018 employer contribution rate was 14.0% of covered payroll for employees. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for employees. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in in all Plans was 2% during calendar year 2018. The District's actual contributions for 2018 which was used to fund OPEB were \$1,406 for employees. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Other Employee Benefits

District employees have the option of participating in four state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered "made available" just because a trust, custodial account or annuity contract holds these amounts. The Plan Agreement states that the District and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

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Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The discussion and analysis of the Clermont County Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2017, within the limitations of the District's cash basis accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2017 are as follows:

- The net position of the District is \$2,047,069. Of this amount, \$1,652,696 (unrestricted) may be used to meet the District's ongoing park programs.
- The District's general receipts are primarily property taxes and intergovernmental receipts. These receipts represent respectively \$4,426,419 and 95.4% of the total cash received for governmental activities during the year.
- In November 2016, voters approved a .5 mill ten-year levy for funding District operations. The levy generated an additional \$2.08 million in property tax revenue in 2017.
- In 2017, the District received a \$1.875 grant from the Ohio Public Works Commission for the "Grailville Preserve Project." The grant was used to acquire approximately 73 acres of property along O'Bannon Creek and Osage Orange Creek in the Little Miami River watershed for the creation of a publicly accessible natural area preserve.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the District as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2017, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are split into the following category:

Governmental Funds - All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund and Capital Projects Fund.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

District-wide Financial Analysis

Table 1 provides a summary of the District's net position for 2017 compared to 2016.

Table 1
Net Position

	Governmental Activities	
	2017	2016
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 2,047,069	\$ 387,123
<i>Total Assets</i>	<u>2,047,069</u>	<u>387,123</u>
NET POSITION		
Restricted for Capital Outlay	394,373	12,994
Unrestricted	1,652,696	374,129
<i>Total Net Position</i>	<u>\$ 2,047,069</u>	<u>\$ 387,123</u>

Table 2 provides a summary of the changes in net position for 2017 compared to 2016.

Table 2
Changes in Net Position

	Governmental Activities	
	2017	2016
Program Cash Receipts:		
Charges for Services	\$ 135,832	\$ 136,161
Operating Grants and Contribution	25,000	99,308
Capital Grants and Contribution	1,875,000	497,106
General Cash Receipts:		
Property Taxes	2,454,746	379,120
Unrestricted Grants	96,673	48,666
Investment Earnings	15,345	3,262
Other	36,733	9,889
<i>Total Revenues</i>	<u>4,639,329</u>	<u>1,173,512</u>
Cash Disbursements		
Conservation and Recreation	973,263	540,868
Capital Outlay	1,972,922	505,644
Principal Retirement	26,900	25,900
Interest and Fiscal Charges	6,298	6,970
<i>Total Cash Disbursements</i>	<u>2,979,383</u>	<u>1,079,382</u>
<i>Increase (Decrease) in Net Position</i>	1,659,946	94,130
Beginning Net Position	387,123	292,993
Ending Net Position	<u>\$2,047,069</u>	<u>\$ 387,123</u>

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Governmental Activities

The District's governmental activities are related to conservation and recreation for its nine parks. This includes the maintenance and upkeep of the parks, offering many nature programs throughout the year to families, offering a variety of facilities to be reserved for picnics, weddings, meetings, reunions, holiday gatherings and other group functions, and improving its parks to meet the needs of the residents of Clermont County.

Capital grants and contribution increased by \$1,377,894 and capital disbursements increased by \$1,467,278 in 2017 due to a grant received in 2017 for the Grailville Preserve land purchase. Property Taxes increased by \$2,078,626 due to the addition of a .5 mill ten-year operating levy. Operating grants and contributions decreased by \$74,300 in 2017 due to a decrease in amount of restricted donations received.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,047,069. Of this amount, \$1,441,304 constitutes unassigned fund balance. \$605,765 of fund balance is assigned. This indicates that it is not available for new spending because it is intended to be used by the District for specific purposes.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,441,304, while the total fund balance was \$1,652,660. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund disbursements. Unassigned fund balance represents 97% of the total general fund expenditures and other financing uses.

Property taxes and intergovernmental revenue account for 92.3% of revenues in the General Fund. In 2017, the District began receiving additional property tax revenue from a .5 mill ten-year operating levy passed by voters in November 2016.

The Capital Projects Fund was established in 2017 to account for and manage the District's capital expenditures. The Capital Projects Fund is funded through transfers from the General Fund. In 2017, the General Fund transferred \$400,000 to the Capital Projects Fund. At the end of the fiscal year, the Capital Projects fund balance was \$386,425 with 100% of the balance assigned for capital projects.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

During the course of 2017, the District amended its general fund budget. All recommendations for the budget were reviewed by the Clermont County Park Board for adoption of a resolution on the change. With the General Fund supporting many of our major activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending. Other expenses increased by \$1,280,741 due to additional building repairs, grounds maintenance and a transfer of \$400,000 to the Capital Projects Fund from the additional property tax revenue received. Revenue from property taxes increased by \$2,078,626 due to the addition of a .5 mill ten-year operating levy.

Capital Assets and Debt Administration

Capital Assets: The District's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$10,564,313 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, vehicles, furniture, and equipment. In 2017, The District's capital purchases included approximately 73 acres of land, a pickup truck and a mower.

Note 5 (Capital Assets) provides capital asset activity during 2017.

Long-term Debt: At the end of 2017, the District had a special obligation bond outstanding in the amount of \$220,800 which is backed by the full faith and credit of the District. The debt was issued in 2013 to refund the 2004 Special Obligation Bond for the Chilo Lock and Dam Project. Additional information on the District's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budget

The District has maintained a conservative approach to spending while maximizing its revenues, seeking grants and donations for special projects. However, the reduced revenue from the discontinuation of personal property taxes and the removal of the personal property reimbursement required the District to seek an alternative source of revenue to fund operations and allow for future growth.

In November 2016, voters approved a .5 mill ten-year levy for funding the District's operations, upgrades and repairs to aging facilities, and capital projects. The levy will generate approximately \$2 million annually in additional property tax revenue for the District. The District's 2017 and 2018 budgets reflect the additional source of revenue.

Requests for Information

This financial report is designed to provide our citizens, creditors, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Chris Clingman, Clermont County Park District, 2228 Hwy. 50, Batavia, Ohio 45103, (513)732-2977, (email at parkdistrict@clermontcountyohio.gov).

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**Clermont County Park District
Clermont County
Statement of Net Position - Cash Basis
December 31, 2017**

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 2,047,069
Total Assets	<u>2,047,069</u>
 NET POSITION	
Restricted for Capital Outlay	394,373
Unrestricted	<u>1,652,696</u>
Total Net Position	<u>\$ 2,047,069</u>

See accompanying notes to the basic financial statements.

Clermont County Park District
Clermont County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
<i>Current:</i>				
Conservation and Recreation	\$ 973,263	\$ 135,832	\$ 25,000	\$ (812,431)
Capital Outlay	1,972,922	0	1,875,000	(97,922)
<i>Debt Service:</i>				
Principal Retirement	26,900	0	0	(26,900)
Interest and Fiscal Charges	6,298	0	0	(6,298)
Total Governmental Activities	<u>\$ 2,979,383</u>	<u>\$ 135,832</u>	<u>\$ 1,900,000</u>	<u>(943,551)</u>
General cash receipts:				
Property Taxes				2,454,746
Grants and Entitlements not Restricted to Specific Programs				96,673
Investment Earnings				15,345
Other				36,733
Total general cash receipts				<u>2,603,497</u>
Change in Net Position				1,659,946
Net Position - beginning				<u>387,123</u>
Net Position - ending				<u>\$ 2,047,069</u>

See accompanying notes to the basic financial statements.

Clermont County Park District
Clermont County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2017

	<u>General Fund</u>	<u>Park District Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,652,660	\$ 386,425	\$ 7,984	\$ 2,047,069
Total assets	<u>\$ 1,652,660</u>	<u>\$ 386,425</u>	<u>\$ 7,984</u>	<u>\$ 2,047,069</u>
Fund balances:				
Assigned for Capital Projects	0	386,425	7,948	394,373
Assigned for Encumbrances	211,356	0	0	211,356
Assigned for Debt Service	0		36	36
Unassigned	1,441,304	0	0	1,441,304
Total fund balances	<u>\$ 1,652,660</u>	<u>\$ 386,425</u>	<u>\$ 7,984</u>	<u>\$ 2,047,069</u>

See accompanying notes to the basic financial statements.

Clermont County Park District
Clermont County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Park District Capital Projects	Other Governmental Funds	Total Governmental Funds
RECEIPTS				
Property Taxes	\$ 2,454,746	\$ 0	\$ 0	\$ 2,454,746
Charges for Services	135,832	0	0	135,832
Intergovernmental	96,673	1,875,000	0	1,971,673
Interest	15,345	0	0	15,345
Other Revenue	55,034	0	0	55,034
Total Receipts	<u>2,757,630</u>	<u>1,875,000</u>	<u>0</u>	<u>4,632,630</u>
DISBURSEMENTS				
Current:				
Conservation and Recreation	973,263	0	0	973,263
Capital Outlay	80,131	1,888,575	4,216	1,972,922
Debt service:				
Principal Retirement	0	0	26,900	26,900
Interest and Fiscal Charges	0	0	6,298	6,298
Total Disbursements	<u>1,053,394</u>	<u>1,888,575</u>	<u>37,414</u>	<u>2,979,383</u>
Excess of Receipts Over (Under) Disbursements	1,704,236	(13,575)	(37,414)	1,653,247
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	6,699	0	0	6,699
Transfers-in	0	400,000	33,216	433,216
Transfers-out	(433,216)	0	0	(433,216)
Advances-in	828	0	0	828
Advances-out	0	0	(828)	(828)
Total other financing sources and (uses)	<u>(425,689)</u>	<u>400,000</u>	<u>32,388</u>	<u>6,699</u>
Net Change in fund balances	1,278,547	386,425	(5,026)	1,659,946
Fund balances -- beginning	374,113	0	13,010	387,123
Fund balances -- ending	<u>\$ 1,652,660</u>	<u>\$ 386,425</u>	<u>\$ 7,984</u>	<u>\$ 2,047,069</u>

See accompanying notes to the basic financial statements.

**Clermont County Park District
Clermont County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual- Budget Basis
For the Year Ended December 31, 2017**

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Property taxes	\$ 382,894	\$ 2,445,973	\$ 2,454,746	\$ 8,773
Charges for services	120,000	120,000	135,832	15,832
Intergovernmental	48,762	48,762	96,673	47,911
Interest	2,000	2,000	15,345	13,345
Other revenues	6,500	6,500	55,034	48,534
Total revenues	<u>560,156</u>	<u>2,623,235</u>	<u>2,757,630</u>	<u>134,395</u>
Expenditures:				
Current:				
Conservation and Recreation	566,728	1,767,338	1,184,620	582,718
Capital Outlay	0	80,131	80,131	0
Total expenditures	<u>566,728</u>	<u>1,847,469</u>	<u>1,264,751</u>	<u>582,718</u>
Excess of revenues over expenditures	<u>(6,572)</u>	<u>775,766</u>	<u>1,492,879</u>	<u>717,113</u>
Other financing sources (uses):				
Operating transfers (out)	(33,216)	(433,216)	(433,216)	0
Advances in	0	0	828	828
Proceeds of sale of capital assets	0	0	6,699	6,699
Total other financing sources (uses)	<u>(33,216)</u>	<u>(433,216)</u>	<u>(425,689)</u>	<u>7,527</u>
Net Change in Fund Balance	(39,788)	342,550	1,067,190	724,640
Fund balance at beginning of year	334,326	334,326	334,326	0
Prior year encumbrances appropriated	39,788	39,788	39,788	0
Fund balance at end of year	<u>\$ 334,326</u>	<u>\$ 716,664</u>	<u>\$ 1,441,304</u>	<u>\$ 724,640</u>

See accompanying notes to the basic financial statements

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Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

Clermont County Park District, Clermont County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Clermont County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

The primary government includes all funds, departments, and boards for which the District is financially accountable. The District does not have any component units.

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the District's accounting policies are described below.

Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the financial condition of the governmental activities for the District at year end. The statement of activities presents a comparison between disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular program.

Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of disbursements with program receipts identifies the extent to which each governmental program is self-financing or draws from the general receipts of the District.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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 in one category: governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the District's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for new capital assets or improvements to existing assets within the District.

The other governmental funds of the District account for other resources whose use is restricted for a particular purpose and for resources received for debt payments.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate. The appropriations resolution is the District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County Park Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Park Board during the year including all supplemental appropriations.

Cash and Investments

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the District as a whole may be obtained from the Clermont County Auditor, Linda L. Fraley, 101 E Main St. 2nd Floor, Batavia, Ohio 45103, www.clermontauditor.org, (513) 732-7150.

Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Interfund Receivables/Payables

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

Long-Term Obligations

The District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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 or enabling legislation (District resolutions).

Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District. Those committed amounts cannot be used for any other purpose unless the District remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the District, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District or by State Statute.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$211,356 for the general fund

Note 4 – Property Taxes

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2017 were based, are as follows:

Real Property	\$ 3,955,050,260
Public Utility and Personal Property	<u>283,476,750</u>
Total Assessed Property Value	<u>\$ 4,238,527,010</u>

Real property taxes collected in 2017 were levied after October 1, 2016 on the assessed values of the preceding January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in tax year 2014. Real property taxes are payable annually or semi-annually. In 2017, if paid annually, payment was due by February 10, 2017. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 10, 2017 with the remainder due July 7, 2017.

The County Auditor distributes portions of the taxes collected to all taxing districts with periodic settlements of Real and Public Utility property taxes in February and August. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills without a vote of the people. For 2017 collections, the County levied .10 mills of the 10 mill limit for the District. In addition, to the .10 mills, .5 mills were levied for voted millage for the District.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2017</u>
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 4,710,125	\$ 1,875,000	\$ 0	\$ 6,585,125
Intangibles-Easements	92,844	0	0	92,844
Construction in Progress	1,017,737	17,435	0	1,035,172
Total Capital Assets at Historical Cost not being depreciated	<u>5,820,706</u>	<u>1,892,435</u>	<u>0</u>	<u>7,713,141</u>
Capital Assets being depreciated:				
Building and Improvements	4,070,884	38,452	0	4,109,336
Furniture, Fixtures, and Equipment	269,460	41,679	0	311,139
Total Capital Assets at Historical cost being depreciated	<u>4,340,344</u>	<u>80,131</u>	<u>0</u>	<u>4,420,475</u>
Less Accumulated Depreciation:				
Building and Improvements	(1,198,088)	(134,404)	0	(1,332,492)
Furniture, Fixtures, and Equipment	(223,253)	(13,558)	0	(236,811)
Total Accumulated Depreciation	<u>(1,421,341)</u>	<u>(147,962)</u>	<u>0</u>	<u>(1,569,303)</u>
Total Capital Assets, being depreciated, net	<u>2,919,003</u>	<u>(67,831)</u>	<u>0</u>	<u>2,851,172</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,739,709</u>	<u>\$ 1,824,604</u>	<u>\$ 0</u>	<u>\$ 10,564,313</u>

Note 6 – Long-Term Debt

Long-term debt and other obligations of the District at December 31, 2017 were as follows:

Governmental Activities

	<u>Interest</u> <u>Rate %</u>	<u>Maturity</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Amounts Due</u> <u>in One Year</u>
Special Obligation Bonds							
2013 Special Obligation							
Improvement Bond	2.55%	2024	\$ 247,700	\$ 0	\$ 26,900	\$ 220,800	\$ 27,900

Annual debt service requirements for the District's long-term debt are as follows:

Year	Special Obligation Bond	
	Principal	Interest
2018	\$ 27,900	\$ 5,630
2019	29,100	4,919
2020	30,300	4,177
2021	31,400	3,404
2022	32,700	2,604
2023-2024	69,400	2,673
Total	<u>\$ 220,800</u>	<u>\$ 23,407</u>

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 6 – Long-Term Debt (Continued)

Special Obligation Bond

In 2004, the District issued a special obligation bond in the amount of \$500,000 for the renovating, equipping and furnishing the Chilo Lock and Dam No. 34 Operation Building and adjacent Lockmaster House. The debt requires semi-annual interest payments and annual principal payments beginning June 1, 2004 through December 1, 2024. In June 2013, the District refunded these bonds with an interest rate of 2.55%. The 2013 Special Obligation Bond requires semi-annual interest payments and annual principal payments beginning December 1, 2013 through December 1, 2024.

Note 7 - Risk Management

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District belongs to the Ohio Government Risk Management Plan (the Plan), a risk-sharing pool available to Ohio local governments. The Pool provides property and casualty coverage for its members. Member governments pay annual contributions to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

The Plan retains property risks, including automobile physical damage, up to \$4,000,000 on any specific loss in any one occurrence.

The aforementioned casualty and property reinsurance agreements do not discharge the Plan's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local government. Settled claims have not exceeded coverage in any of the past five years.

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.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Public Employees Retirement System:

All full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS) which is a public employee retirement system created by the State of Ohio. OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan - a cost sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings.
- The Combined Plan - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 8 - Defined Benefit Pension Plans (Continued)

OPERS, provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS, issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2017, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2017 was 10.0% for employees. The 2017 employer contribution rate was 14.0% of covered payroll. The District's contributions to PERS for the years ended December 31, 2017, 2016, and 2015, were \$42,579; \$33,157; and \$36,371, respectively, 100% has been contributed for the above years, respectively.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Tradition Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Tradition Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The 2017 employer contribution rate was 14.0% of covered payroll for employees. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for employees. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in in all Plans was 2% during calendar year 2017. The District's actual contributions for 2017 which was used to fund OPEB were \$852 for employees. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 10 – Other Employee Benefits

District employees have the option of participating in four state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered "made available" just because a trust, custodial account or annuity contract holds these amounts. The Plan Agreement states that the District and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

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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**

Clermont County Park District
Clermont County
2228 US Highway 50
Batavia, Ohio 45103

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clermont County Park District, Clermont County, (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 5, 2019, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

Efficient • Effective • Transparent

Clermont County Park District
Clermont County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 5, 2019

OHIO AUDITOR OF STATE KEITH FABER



CLERMONT COUNTY PARK DISTRICT

CLERMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 1, 2019**