

<b>Cuyahoga Soil and Water Conservation District</b>				
<i>Cuyahoga County, Ohio</i>				
<i>Combined Statement of Receipts, Disbursements</i>				
<i>and Changes in Fund Balances (Regulatory Cash Basis)</i>				
<i>For the Year Ended December 31, 2019</i>				
<b>To be submitted.</b>				
	District	Special	Other	Totals
	Fund	Fund	Funds	(Memorandum Only)
<b>Cash Receipts</b>				
Taxes				\$0
Grants				
Local Government		836,175		836,175
State Government		472,638		472,638
State Government--Other Grants		193,447		
Federal Government				0
Gifts and Contributions				0
Sale of Products/Materials	5,933			5,933
Rentals				0
Farm Harvest Income				0
All Other Revenue	55,155			55,155
<i>Total Cash Receipts</i>	61,088	1,502,260	0	1,369,901
<b>Cash Disbursements</b>				
Salaries		724,098		724,098
Supplies	5,417	1,403		6,820
Equipment	2,391	14,961		17,352
Contract Repairs				0
Contract Services/Cost Share Payment	14,587	26,324		40,911
Rentals		50,650		50,650
Service Fees	1,047			1,047
Information and Education	14,896			14,896
Travel and Expenses	4,101	13,327		17,428
Advertising and Printing	2,881	21,165		24,046
OPERS		100,845		100,845
Worker's Compensation				0
Unemployment Compensation				0
Hospitalization		110,763		110,763
Medicare		10,116		10,116
Product/Materials for Resale	9,138			9,138
Reimbursement - State Refunds				0
Vehicle Rental/Liability Insurance				0
Annual Meeting/Banquet				0
Other	18,089	34,627		52,716
<i>Total Cash Disbursements</i>	72,547	1,108,279	0	1,180,826
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,459)	393,981	0	189,075

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<i>For the Year Ended December 31, 2019</i>				
<b>To be submitted.</b>				
	District	Special	Other	Totals
	Fund	Fund	Funds	(Memorandum Only)
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In				0
Transfers Out				0
Advances In				0
Advances Out				0
Other Financing Sources				0
Other Financing Uses	(87,945)	(193,447)		(281,392)
<i>Total Other Financing Receipts (Disbursements)</i>	(87,945)	(193,447)	0	(281,392)
<i>Net Change in Fund Cash Balances</i>	(99,404)	200,534	0	101,130
<i>Fund Cash Balances, January 1</i>	1,266,683	343,845		1,610,528
<b>Fund Cash Balances, December 31</b>				
Nonspendable	103,611	0	0	103,611
Restricted	0	0	0	0
Committed	1,150	0	0	1,150
Assigned	4,664	0	0	4,664
Unassigned (Deficit)	1,057,854	544,379	0	1,602,233
<i>Fund Cash Balances, December 31</i>	\$1,167,279	\$544,379	\$0	\$1,711,658
<i>See accompanying notes to the basic financial statements</i>				

# Cuyahoga Soil & Water Conservation District

*Cuyahoga County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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## **Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Cuyahoga Soil & Water Conservation District, Cuyahoga County, (the District) as a body corporate and politic. A publicly elected five-member District Board of Supervisors directs the District. The District provides local leadership in the conservation of natural resources, stewardship of lands, design review of development plans, education services, technical assistance, and various other services.

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

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

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

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

### ***Fund Accounting***

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

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

***District Fund:*** The district fund accounts for and reports revenues from district sales, services, grants, and donations.

### ***Basis of Accounting***

These financial statements follow the accounting basis permitted by the Ohio Department of Agriculture. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters the Ohio Department of Agriculture requires.

## **Cuyahoga Soil & Water Conservation District**

*Cuyahoga County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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### ***Budgetary Process***

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

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

The Cuyahoga County Treasurer is the custodian for the District's Special Fund's cash and investments. The County's cash and investment holds the District's Special Fund's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the [Cuyahoga County Fiscal Office:

Patricia Stokes—Accountant 3  
2079 East Ninth Street—3<sup>rd</sup> Floor  
Cleveland, Ohio 44115  
Direct Phone Line: 216-698-7506  
Email: [pstokes@cuyahogacounty.us](mailto:pstokes@cuyahogacounty.us)

The District's accounting basis for all other funds includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The District does not have any investments of Stock, Bonds, Mutual Funds, ETFs, etc. All savings are held in bank accounts at Star Ohio.

### ***Capital Assets***

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

### ***Accumulated Leave***

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

**Cuyahoga Soil & Water Conservation District**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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***Fund Balance***

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

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

***Restricted:*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed:*** Supervisors can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Supervisors amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned:*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Funds other than the special and district funds report all fund balances as *assigned* unless they are restricted or committed. In the special and district funds, *assigned* amounts represent intended uses established by District Supervisors or a District official delegated that authority by resolution, or by State Statute.

***Unassigned:*** Unassigned fund balance is the residual classification for the special and district funds and includes amounts not included in the other classifications. In other funds, the unassigned classification is used only to report a deficit balance.

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

**Cuyahoga Soil & Water Conservation District**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
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**Note 3 – Special Fund Budgetary Activity**

Budgetary activity for the year ending 2019 follows:

Fund	Budgeted Receipts	Actual Receipts	Variance
Special	\$1,404,998	\$1,308,813	(\$96,185)

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2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Special	\$1,152,238	\$1,109,279	\$42,959

**Note 4 – Deposits and Investments**

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

	2019
Demand deposits	\$70,208
Petty Cash	150
STAR Ohio	1,085,429
Office Rental Security Deposit	4,200
Other Deposits (Postage/Bulk Mail)	7,292
County Treasurer Deposits	544,379
Total deposits	1,711,658
Investments (none)	0
Total investments	0
Total deposits and investments	\$1,711,658

***Deposits***

All District Fund Deposits are insured by the Federal Deposit Insurance Corporation.

At December 31, 2019, the Special Fund County Treasurer Deposits of \$544,379 were not insured or collateralized, held at Cuyahoga County Treasurer Office, contrary to Ohio law.

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*Cuyahoga County*  
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***Investments***

The District does not have any investments.

**Note 5 – Property Taxes**

The District does not have a tax levy or receives property taxes.

**Note 6 – Interfund Balances**

The District transferred out \$711,175 of District Funds to the Special Fund. These are normal and part of the Appropriations for Year Ending December 31, 2019 to Special Fund to have sufficient balances for operations.

**Note 7 – Risk Management**

***Workers' Compensation***

The District has Workers Compensation Insurance through the Cuyahoga County Treasurer. Cuyahoga County has had an Accumulated Surplus in their Workers Compensation Fund and has not charged the District any premiums for year ending December 31, 2019.

***Risk Pool Membership***

The District belongs to the Ohio Plan Risk Management, Inc. (the "Plan"), a non-assessable, non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 764 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 47% casualty and the 30% property portions the Plan retains. The Plan retains the lesser of 47% or \$117,500 of casualty losses and the lesser of 30% or \$300,000 of property losses. The Plan is also participating in a property primary excess of loss treaty. This treaty reimburses the Plan 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

**Cuyahoga Soil & Water Conservation District**

*Cuyahoga County*

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 2019:

	<u>2019</u>
Cash and investments	\$15,065,000
Actuarial liabilities	\$10,734,000
Members' Equity	\$4,331,000

You can read the complete audited financial statements for The Ohio Plan Risk Management at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

***Self-Insurance***

The District is self-insured for Unemployment Insurance. The District has not had any claims for Workers Compensation or Unemployment for over 7+ years. The District has never had a situation where it was unable to pay claims in a timely manner.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2019</i>	<i>10%</i>	<i>14%</i>



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**Note 9 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 10 – Construction and Contractual Commitments**

None.

**Note 11 – Contingent Liabilities**

The District does not have any lawsuits currently and is unaware of any future lawsuits.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. There were no significant federal grants received for Year Ending December 31, 2019.

**Note 12 – Joint Ventures**

None.

**Note 13 – Jointly Governed Organizations**

None.

**Note 14 – Public Entity Risk Pool**

None.

**Note 16 – Related Organizations**

None.

**Cuyahoga Soil & Water Conservation District**  
*Cuyahoga County*  
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**Note 16 – Related Party Transactions**

The District provides various services to the City of Cleveland, including Public Education and Storm Water Prevention Programs. The husband of the District’s Executive Director is a high level Manager at the City of Cleveland.

For the year ending December 31, 2019, the City of Cleveland paid \$213,000 for these services.

**Note 17 – Subsequent Events**

None.