



Dave Yost • Auditor of State

**CLERMONT COUNTY PARK DISTRICT
CLERMONT COUNTY**

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CLERMONT COUNTY

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Dave Yost • Auditor of State

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 year ended December 31, 2016, 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 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, 2016, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the year 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 20, 2017, 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.



Dave Yost
Auditor of State

Columbus, Ohio

September 20, 2017

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
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, 2016, 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 2016 are as follows:

- The net position of the District is \$387,123. Of this amount, \$374,129 (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 \$924,892 and 78.8% of the total cash received for governmental activities during the year.
- In 2016, the District received a grant of \$495,796 for the purchase of land in Miami Township for conservation and recreation purposes.

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 information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Reporting the District as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2016, 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 has one major governmental fund, the General 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, 2016
Unaudited

District-wide Financial Analysis

Table 1 provides a summary of the District's net position for 2016 compared to 2015.

Table 1
Net Position

	Governmental Activities	
	2016	2015
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 387,123	\$ 292,993
<i>Total Assets</i>	<u>387,123</u>	<u>292,993</u>
NET POSITION		
Restricted for Capital Outlay	12,994	26,943
Unrestricted	374,129	266,050
<i>Total Net Position</i>	<u>\$ 387,123</u>	<u>\$ 292,993</u>

Table 2 provides a summary of the changes in net position for 2016 compared to 2015.

Table 2
Changes in Net Position

	Governmental Activities	
	2016	2015
Program Cash Receipts:		
Charges for Services	\$ 136,161	\$ 132,421
Operating Grants and Contribution	99,308	13,489
Capital Grants and Contribution	497,106	116,418
General Cash Receipts:		
Property Taxes	379,120	380,090
Unrestricted Grants	48,666	49,803
Investment Earnings	3,262	2,321
Other	9,889	9,866
<i>Total Revenues</i>	<u>1,173,512</u>	<u>704,408</u>
Cash Disbursements		
Conservation and Recreation	540,868	558,603
Capital Outlay	505,644	137,050
Principal Retirement	25,900	24,800
Interest and Fiscal Charges	6,970	7,599
<i>Total Cash Disbursements</i>	<u>1,079,382</u>	<u>728,052</u>
<i>Increase (Decrease) in Net Position</i>	94,130	(23,644)
Beginning Net Position	292,993	316,637
Ending Net Position	<u>\$ 387,123</u>	<u>\$ 292,993</u>

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
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 contributions increased by \$380,688 due to grants received and capital disbursements increased by \$368,594 in 2016 due to the Wachs land purchase in Miami Township. Operating grants and contributions increased by \$85,819 in 2016 due to 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 \$387,123. Of this amount, \$334,324 constitutes unassigned fund balance. \$52,799 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 \$334,324, while the total fund balance was \$374,112. 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 37.2% of the total general fund expenditures and other financing uses.

Property taxes and intergovernmental revenue account for 78.9% of revenues in the General Fund. In 2016, the District received an Ohio Public Works Commission (OPWC) grant for the land purchase in Miami Township.

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.

During the course of 2016, 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 \$574,938 due to the land purchase in Miami Township and for projects completed with donations received.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Capital Assets and Debt Administration

Capital Assets: The District's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$8,739,709 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, vehicles, furniture, and equipment. In 2016, The District purchased land in Miami Township in the amount of \$491,250 with Ohio Public Works Commission grants.

Note 5 (Capital Assets) provides capital asset activity during 2016.

Long-term Debt: At the end of 2016, the District had a special obligation bond outstanding in the amount of \$247,700 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

Personal property taxes have discontinued and the removal of personal property reimbursement from the State has reduced the revenue for the District. The District maintains a conservative approach to spending while maximizing its revenues. The District reviews other methods of funding, since the State of Ohio's fiscal condition continues to remain uncertain and the District's portion of state-based program revenue will be affected by the fiscal year 2016-2017 State budget bill. In November 2016, a tax levy of .5 mills was passed and will begin collected in 2017.

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, 2016**

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 387,123
Total Assets	<u>387,123</u>
NET POSITION	
Restricted for Capital Outlay	12,994
Unrestricted	374,129
Total Net Position	<u>\$ 387,123</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, 2016**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash	Charges for	Operating	Capital Grants	
			Grants and	and	
Disbursements	Services	Contributions	Contributions	Governmental Activities	
Governmental Activities:					
<i>Current:</i>					
Conservation and Recreation	\$ 540,868	\$ 136,161	\$ 99,308	\$ 0	\$ (305,399)
Capital Outlay	505,644	0	0	497,106	(8,538)
<i>Debt Service:</i>					
Principal Retirement	25,900	0	0	0	(25,900)
Interest and Fiscal Charges	6,970	0	0	0	(6,970)
Total Governmental Activities	<u>\$ 1,079,382</u>	<u>\$ 136,161</u>	<u>\$ 99,308</u>	<u>\$ 497,106</u>	<u>(346,807)</u>
General cash receipts:					
Property Taxes					379,120
Grants and Entitlements not Restricted to Specific Programs					48,666
Investment Earnings					3,262
Other					9,889
Total general cash receipts					<u>440,937</u>
Change in Net Position					94,130
Net Position - beginning					<u>292,993</u>
Net Position - ending					<u>\$ 387,123</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, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 374,112	\$ 13,011	\$ 387,123
Total assets	\$ 374,112	\$ 13,011	\$ 387,123
Fund balances:			
Assigned for Capital Projects	0	13,011	13,011
Assigned for Encumbrances	39,788	0	39,788
Unassigned	334,324	0	334,324
Total fund balances	\$ 374,112	\$ 13,011	\$ 387,123

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, 2016**

	General Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS			
Property Taxes	\$ 379,120	\$ 0	\$ 379,120
Charges for Services	136,161	0	136,161
Intergovernmental	545,772	0	545,772
Interest	3,262	0	3,262
Other Revenue	108,299	898	109,197
Total Receipts	1,172,614	898	1,173,512
DISBURSEMENTS			
Current:			
Conservation and Recreation	540,868	0	540,868
Capital Outlay	495,796	9,848	505,644
Debt service:			
Principal Retirement	0	25,900	25,900
Interest and Fiscal Charges	0	6,970	6,970
Total Disbursements	1,036,664	42,718	1,079,382
Excess of Receipts Over (Under) Disbursements	135,950	(41,820)	94,130
OTHER FINANCING SOURCES (USES)			
Transfers-in	0	32,877	32,877
Transfers-out	(32,877)	0	(32,877)
Advances-in	5,000	0	5,000
Advances-out	0	(5,000)	(5,000)
Total other financing sources and (uses)	(27,877)	27,877	0
Net Change in fund balances	108,073	(13,943)	94,130
Fund balances -- beginning	266,040	26,953	292,993
Fund balances -- ending	\$ 374,113	\$ 13,010	\$ 387,123

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, 2016**

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Property taxes	\$ 383,802	\$ 383,802	\$ 379,120	\$ (4,682)
Charges for services	115,000	115,000	136,161	21,161
Intergovernmental	50,948	546,743	545,772	(971)
Interest	1,600	1,600	3,261	1,661
Other revenues	36,500	36,500	108,299	71,799
Total revenues	<u>587,850</u>	<u>1,083,645</u>	<u>1,172,613</u>	<u>88,968</u>
Expenditures:				
Current:				
Conservation and Recreation	590,388	669,531	580,657	88,874
Capital Outlay	0	495,795	495,795	0
Total expenditures	<u>590,388</u>	<u>1,165,326</u>	<u>1,076,452</u>	<u>88,874</u>
Excess of revenues over expenditures	<u>(2,538)</u>	<u>(81,681)</u>	<u>96,161</u>	<u>177,842</u>
Other financing sources (uses):				
Operating transfers (out)	(32,877)	(32,877)	(32,877)	0
Advances in	0	0	5,000	5,000
Total other financing sources (uses)	<u>(32,877)</u>	<u>(32,877)</u>	<u>(27,877)</u>	<u>5,000</u>
Net Change in Fund Balance	(35,415)	(114,558)	68,284	182,842
Fund balance at beginning of year	230,628	230,628	230,628	0
Prior year encumbrances appropriated	35,414	35,414	35,414	0
Fund balance at end of year	<u>\$ 230,627</u>	<u>\$ 151,484</u>	<u>\$ 334,326</u>	<u>\$ 182,842</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, 2016

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, 2016

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 fund:

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.

The other governmental funds of the District account for grants and 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. Except for modifications having substantial support, 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. Any such modifications made by the District are described in the appropriate section in this note.

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, 2016

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 certificated 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, 2016

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, 2016

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 \$39,788 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 2016 were based, are as follows:

Real Property	\$ 3,925,230,610
Public Utility and Personal Property	<u>331,883,920</u>
Total Assessed Property Value	<u><u>\$ 4,257,114,530</u></u>

Real property taxes collected in 2015 were levied after October 1, 2015 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 2016, if paid annually, payment was due by February 12, 2016. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 12, 2016 with the remainder due July 8, 2016.

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 2016 collections, the County levied .10 mills for the District.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	<u>Balance</u> <u>12/31/2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2016</u>
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 4,218,875	\$ 491,250	\$ 0	\$ 4,710,125
Intangibles-Easements	92,844	0	0	92,844
Construction in Progress	1,007,889	9,848	0	1,017,737
Total Capital Assets at Historical Cost not being depreciated	<u>5,319,608</u>	<u>501,098</u>	<u>0</u>	<u>5,820,706</u>
Capital Assets being depreciated:				
Building and Improvements	4,070,884	0	0	4,070,884
Furniture, Fixtures, and Equipment	269,460	0	0	269,460
Total Capital Assets at Historical cost being depreciated	<u>4,340,344</u>	<u>0</u>	<u>0</u>	<u>4,340,344</u>
Less Accumulated Depreciation:				
Building and Improvements	(1,064,325)	(133,763)	0	(1,198,088)
Furniture, Fixtures, and Equipment	(207,918)	(15,335)	0	(223,253)
Total Accumulated Depreciation	<u>(1,272,243)</u>	<u>(149,098)</u>	<u>0</u>	<u>(1,421,341)</u>
Total Capital Assets, being depreciated, net	<u>3,068,101</u>	<u>(149,098)</u>	<u>0</u>	<u>2,919,003</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,387,709</u>	<u>\$ 352,000</u>	<u>\$ 0</u>	<u>\$ 8,739,709</u>

Note 6 – Long-Term Debt

Long-term debt and other obligations of the District at December 31, 2016 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>12/31/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>	<u>in One Year</u>
Special Obligation Bonds							
2013 Special Obligation							
Improvement Bond	2.55%	2024	\$ 273,600	\$ 0	\$ 25,900	\$ 247,700	\$ 26,900

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

	Special Obligation Bond	
Year	Principal	Interest
2017	\$ 26,900	\$ 6,316
2018	27,900	5,630
2019	29,100	4,919
2020	30,300	4,177
2021	31,400	3,404
2022-2024	<u>102,100</u>	<u>5,277</u>
Total	<u>\$ 247,700</u>	<u>\$ 29,723</u>

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2016

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, 2016

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 2016, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2016 was 10.0% for employees. The 2016 employer contribution rate was 14.0% of covered payroll. The District's contributions to PERS for the years ended December 31, 2016, 2015, and 2014, were \$33,157; \$36,371; and \$34,677, 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 2016 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 2016. The District's actual contributions for 2016 which was used to fund OPEB were \$663 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, 2016

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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Dave Yost • Auditor of State

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 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 year ended December 31, 2015, 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 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, 2015, 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 20, 2017, 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.



Dave Yost
Auditor of State

Columbus, Ohio

September 20, 2017

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
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, 2015, 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 2015 are as follows:

- The net position of the District is \$292,993. Of this amount, \$266,050 (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 \$536,061 and 76.7% of the total cash received for governmental activities during the year.
- In 2015, the District received a grant of \$106,168 for the purchase of a conservation easement for the Bellar/Becker Farm Project.

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 information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Reporting the District as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2015, 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 the Bellar/Becker Farm Project 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 39 of this report.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

District-wide Financial Analysis

Table 1 provides a summary of the District's net position for 2015 compared to 2014.

Table 1
Net Position

	Governmental Activities	
	2015	2014
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 292,993	\$ 316,637
<i>Total Assets</i>	<u>292,993</u>	<u>316,637</u>
NET POSITION		
Restricted for Capital Outlay	26,943	21,756
Unrestricted	266,050	294,881
<i>Total Net Position</i>	<u>\$ 292,993</u>	<u>\$ 316,637</u>

Table 2 provides a summary of the changes in net position for 2015 compared to 2014.

Table 2
Changes in Net Position

	Governmental Activities	
	2015	2014
Program Cash Receipts:		
Charges for Services	\$ 132,421	\$ 125,225
Operating Grants and Contribution	13,489	49,966
Capital Grants and Contribution	116,418	317,384
General Cash Receipts:		
Property Taxes	380,090	368,776
Unrestricted Grants	49,803	49,948
Investment Earnings	2,321	1,609
Other	9,866	4,613
<i>Total Revenues</i>	<u>704,408</u>	<u>917,521</u>
Cash Disbursements		
Conservation and Recreation	558,603	526,811
Capital Outlay	137,050	309,707
Principal Retirement	24,800	23,900
Interest and Fiscal Charges	7,599	8,220
<i>Total Cash Disbursements</i>	<u>728,052</u>	<u>868,638</u>
<i>Increase (Decrease) in Net Position</i>	(23,644)	48,883
Beginning Net Position	316,637	267,754
Ending Net Position	<u>\$ 292,993</u>	<u>\$ 316,637</u>

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
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 contributions decreased by \$200,966 due to grants received in 2014 for the Ten Mile Creek Preservation Project. Capital disbursements decreased by \$172,657 due to the land purchases in 2014 related to the Ten Mile Creek Preservation Project.

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 \$292,993. Of this amount, \$230,636 constitutes unassigned fund balance. \$62,357 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 \$230,636, while the total fund balance was \$266,040. 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 36.4% of the total general fund expenditures and other financing uses.

Property taxes account for 63.0% of revenues in the General Fund. The District purchased some minor improvements and lawn mowers from the General Fund in 2015. In 2015, the District received an Ohio Public Works Commission (OPWC) grant for the land purchase related to the Bellar/Becker Farm Project.

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.

During the course of 2015, the District amended its general fund budget, the most significant noted below. 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 \$90,281 due to the purchase of minor park improvements and lawn mowers in 2015.

Clermont County Park District
Clermont County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Capital Assets and Debt Administration

Capital Assets: The District's investment in capital assets for its governmental activities as of December 31, 2015, amounts to \$8,387,709 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, vehicles, furniture, and equipment. In 2015, The District purchased a conservation easement in the amount of \$92,845 with Ohio Public Works Commission grants for the Bellar/Becker Farm Project.

Note 5 (Capital Assets) provides capital asset activity during 2015.

Long-term Debt: At the end of 2015, the District had a special obligation bond outstanding in the amount of \$273,600 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

Personal property taxes have discontinued and the removal of personal property reimbursement from the State has reduced the revenue for the District. The District maintains a conservative approach to spending while maximizing its revenues. The District reviews other methods of funding, since the State of Ohio's fiscal condition continues to remain uncertain and the District's portion of state-based program revenue will be affected by the fiscal year 2016-2017 State budget bill.

All of these factors were considered in the preparation of the District's 2015 budget. In conjunction with current economic factors, the District has remained its 2016 budget at the same levels as its 2015 and still provide quality service for its seven parks.

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, 2015**

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 292,993
Total Assets	<u>292,993</u>
NET POSITION	
Restricted for Capital Outlay	26,943
Unrestricted	<u>266,050</u>
Total Net Position	<u>\$ 292,993</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, 2015**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash	Charges for	Operating	Capital Grants	
			Grants and	and	
Disbursements	Services	Contributions	Contributions	Governmental Activities	
Governmental Activities:					
<i>Current:</i>					
Conservation and Recreation	\$ 558,603	\$ 132,421	\$ 13,489	\$ 0	\$ (412,693)
Capital Outlay	137,050	0	0	116,418	(20,632)
<i>Debt Service:</i>					
Principal Retirement	24,800	0	0	0	(24,800)
Interest and Fiscal Charges	7,599	0	0	0	(7,599)
Total Governmental Activities	\$ 728,052	\$ 132,421	\$ 13,489	\$ 116,418	(465,724)
General cash receipts:					
Property Taxes					380,090
Grants and Entitlements not Restricted to Specific Programs					49,803
Investment Earnings					2,321
Other					9,866
Total general cash receipts					442,080
Change in Net Position					(23,644)
Net Position - beginning					316,637
Net Position - ending					\$ 292,993

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, 2015

	General Fund	Bellar/Becker Farm Project Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 266,040	\$ 7,800	\$ 19,153	\$ 292,993
Total assets	<u>\$ 266,040</u>	<u>\$ 7,800</u>	<u>\$ 19,153</u>	<u>\$ 292,993</u>
Fund balances:				
Assigned for Capital Projects	0	7,800	19,143	26,943
Assigned for Encumbrances	35,414	0	0	35,414
Assigned for Debt Service	0	0	10	10
Unassigned	230,626	0	0	230,626
Total fund balances	<u>\$ 266,040</u>	<u>\$ 7,800</u>	<u>\$ 19,153</u>	<u>\$ 292,993</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, 2015**

	General Fund	Bellar/Becker Farm Project Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS				
Property Taxes	\$ 380,090	\$ 0	\$ 0	\$ 380,090
Charges for Services	132,421	0	0	132,421
Intergovernmental	49,803	106,168	0	155,971
Interest	2,321	0	0	2,321
Other Revenue	18,076	0	10,250	28,326
Total Receipts	<u>582,711</u>	<u>106,168</u>	<u>10,250</u>	<u>699,129</u>
DISBURSEMENTS				
Current:				
Conservation and Recreation	558,603	0	0	558,603
Capital Outlay	41,819	92,844	2,387	137,050
Debt service:				
Principal Retirement	0	0	24,800	24,800
Interest and Fiscal Charges	0	0	7,599	7,599
Total Disbursements	<u>600,422</u>	<u>92,844</u>	<u>34,786</u>	<u>728,052</u>
Excess of Receipts Over (Under) Disbursements	(17,711)	13,324	(24,536)	(28,923)
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	5,279	0	0	5,279
Transfers-in	0	0	32,409	32,409
Transfers-out	(32,409)	0	0	(32,409)
Advances-in	16,000	0	0	16,000
Advances-out	0	(16,000)	0	(16,000)
Total other financing sources and (uses)	<u>(11,130)</u>	<u>(16,000)</u>	<u>32,409</u>	<u>5,279</u>
Net Change in fund balances	(28,841)	(2,676)	7,873	(23,644)
Fund balances -- beginning	<u>294,881</u>	<u>10,476</u>	<u>11,280</u>	<u>316,637</u>
Fund balances -- ending	<u>\$ 266,040</u>	<u>\$ 7,800</u>	<u>\$ 19,153</u>	<u>\$ 292,993</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, 2015**

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Property taxes	\$ 376,143	\$ 376,143	\$ 380,090	\$ 3,947
Charges for services	100,000	100,000	132,421	32,421
Intergovernmental	50,527	50,527	49,803	(724)
Interest	1,600	1,600	2,321	721
Other revenues	35,000	60,000	18,076	(41,924)
Total revenues	<u>563,270</u>	<u>588,270</u>	<u>582,711</u>	<u>(5,559)</u>
Expenditures:				
Current:				
Conservation and Recreation	523,799	621,871	594,017	27,854
Capital Outlay	25,000	41,820	41,819	1
Total expenditures	<u>548,799</u>	<u>663,691</u>	<u>635,836</u>	<u>27,855</u>
Excess of revenues over expenditures	<u>14,471</u>	<u>(75,421)</u>	<u>(53,125)</u>	<u>22,296</u>
Other financing sources (uses):				
Operating transfers (out)	(32,409)	(32,409)	(32,409)	0
Advances in	0	0	16,000	16,000
Proceeds of sale of capital assets	0	0	5,279	5,279
Total other financing sources (uses)	<u>(32,409)</u>	<u>(32,409)</u>	<u>(11,130)</u>	<u>21,279</u>
Net Change in Fund Balance	(17,938)	(107,830)	(64,255)	43,575
Fund balance at beginning of year	276,945	276,945	276,945	0
Prior year encumbrances appropriated	17,938	17,938	17,938	0
Fund balance at end of year	<u>\$ 276,945</u>	<u>\$ 187,053</u>	<u>\$ 230,628</u>	<u>\$ 43,575</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, 2015

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, 2015

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 fund:

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.

The other governmental funds of the District account for grants and 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. Except for modifications having substantial support, 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. Any such modifications made by the District are described in the appropriate section in this note.

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, 2015

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 certificated 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, 2015

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, 2015

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 \$35,414 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 2015 were based, are as follows:

Real Property	\$ 3,909,735,310
Public Utility and Personal Property	<u>349,078,360</u>
Total Assessed Property Value	<u><u>\$ 4,258,813,670</u></u>

Real property taxes collected in 2014 were levied after October 1, 2014 on the assessed values of the 5preceding 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 2015, if paid annually, payment was due by February 10, 2014. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 11, 2015 with the remainder due July 8, 2015.

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 2015 collections, the County levied .10 mills for the District.

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance 12/31/2014	Additions	Reductions	Balance 12/31/2015
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 4,218,875	\$ 0	\$ 0	\$ 4,218,875
Intangibles-Easements	0	92,844	0	92,844
Construction in Progress	1,005,502	2,387	0	1,007,889
Total Capital Assets at Historical Cost not being depreciated	<u>5,224,377</u>	<u>95,231</u>	<u>0</u>	<u>5,319,608</u>
Capital Assets being depreciated:				
Building and Improvements	4,070,884	0	0	4,070,884
Furniture, Fixtures, and Equipment	253,166	16,294	0	269,460
Total Capital Assets at Historical cost being depreciated	<u>4,324,050</u>	<u>16,294</u>	<u>0</u>	<u>4,340,344</u>
Less Accumulated Depreciation:				
Building and Improvements	(930,169)	(134,156)	0	(1,064,325)
Furniture, Fixtures, and Equipment	(188,066)	(19,852)	0	(207,918)
Total Accumulated Depreciation	<u>(1,118,235)</u>	<u>(154,008)</u>	<u>0</u>	<u>(1,272,243)</u>
Total Capital Assets, being depreciated, net	<u>3,205,815</u>	<u>(137,714)</u>	<u>0</u>	<u>3,068,101</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,430,192</u>	<u>\$ (42,483)</u>	<u>\$ 0</u>	<u>\$ 8,387,709</u>

Note 6 – Long-Term Debt

Long-term debt and other obligations of the District at December 31, 2015 were as follows:

Governmental Activities							
	Interest Rate %	Maturity	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015	Amounts Due in One Year
Special Obligation Bonds							
2013 Special Obligation							
Improvement Bond	2.55%	2024	\$ 298,400	\$ 0	\$ 24,800	\$ 273,600	\$ 25,900

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

Year	Special Obligation Bond	
	Principal	Interest
2016	\$ 25,900	\$ 6,977
2017	26,900	6,316
2018	27,900	5,630
2019	29,100	4,919
2020	30,300	4,177
2021-2024	<u>133,500</u>	<u>8,681</u>
Total	<u>\$ 273,600</u>	<u>\$ 36,700</u>

Clermont County Park District
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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, 2015

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 2015, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2015 was 10.0% for employees. The 2015 employer contribution rate was 14.0% of covered payroll. The District's contributions to PERS for the years ended December 31, 2015, 2014, and 2013 were \$36,371; \$34,677; and \$31,502, 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 2015 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 2015. The District's actual contributions for 2015 which was used to fund OPEB were \$727 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, 2015

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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Dave Yost • Auditor of State

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 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, 2016 and 2015, 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 20, 2017, 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

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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

September 20, 2017



Dave Yost • Auditor of State

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 12, 2017