



Dave Yost • Auditor of State



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

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**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Centerville-Washington Park District  
Montgomery County  
221 North Main St.  
Centerville, Ohio 45459

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville-Washington Park District, Montgomery County, Ohio (the District), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

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 Centerville-Washington Park District, Montgomery County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position, thereof and the budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

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

July 14, 2011

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)**

This discussion and analysis of the Centerville-Washington Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2010 within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2010 are as follows:

- The net assets of governmental activities increased by \$693,987 or 18.6% in 2010. The increase is in anticipation of future resource requirements to meet the goals of the Park District ten-year plan. Annual cash requirements vary as park improvements are scheduled throughout the levy period. Unrestricted net assets increased by \$765,167 or 34.8%.
- The District's general receipts are primarily property taxes. Property tax receipts for 2010 increased 0.7% from 2009.

**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.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

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.

The notes to the financial statements are an integral part of the district-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**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.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)  
(Continued)**

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2010, within the limitations of the cash basis of accounting. The statement of net assets 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 non-financial 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 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 two categories: governmental and fiduciary.

**Governmental Funds** - Most 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 District's major governmental funds are the General Fund and the Land Acquisition Fund. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in Other Governmental Funds. The Park Improvement Fund and the Debt Service Fund are classified as non-major. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Fiduciary Funds** – The fiduciary fund is used to account for resources held for the benefit of parties outside the District. The fiduciary fund is not reflected on the government-wide financial statements because the resources of these funds are not available to support the District's programs. The District's only trust fund accounts for monies donated by The William and Dorothy Yeck Family Foundation to be used for funding various park and park improvement projects as approved by the trust.



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)  
(Continued)**

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2010 compared to 2009 on a cash basis:

**(Table 1)**  
**Net Assets**

	<b>Governmental Activities</b>	
	<b>2010</b>	<b>2009</b>
<b>Assets:</b>		
Cash and Cash Equivalents	\$4,433,562	\$3,739,575
<b>Net Assets:</b>		
<b>Restricted for:</b>		
Capital Projects	1,470,645	1,541,825
Unrestricted	2,962,917	2,197,750
Total Net Assets	\$4,433,562	\$3,739,575

Net assets of governmental activities increased \$693,987 during 2010. The increase is in anticipation of future resource requirements to meet the goals of the Park District ten-year plan. Annual cash requirements vary as park improvements are scheduled throughout the levy period. Unrestricted net assets increased by \$765,167 or 34.8%.

Table 2 reflects the changes in net assets in 2010 compared to 2009.

**(Table 2)**  
**Changes in Net Assets**

	<b>Governmental Activities</b>	
	<b>2010</b>	<b>2009</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services	\$ 86,675	\$ 85,761
Operating Grants and Contributions	60,735	7,370
Capital Grants and Contributions	5,002	45,020
Total Program Receipts	152,412	138,151
<b>General Receipts:</b>		
General Property Tax	4,220,899	4,190,865
Intergovernmental Revenue	802,719	809,757
Gifts and Donations	715	411
Depository Interest	5,100	15,102
Other Receipts	26,479	22,892
Total General Receipts	5,055,912	5,039,027
Total Receipts	5,208,324	5,177,178

(Continued)

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)  
(Continued)**

**(Table 2)  
Changes in Net Assets  
(Continued)**

	<b>Governmental Activities</b>	
	<b>2010</b>	<b>2009</b>
<b>Disbursements:</b>		
Salaries - Employees	1,540,604	1,494,724
Improvements	1,313,210	1,596,302
Operations	429,453	366,486
Equipment	188,763	165,433
Professional Services	25,560	26,608
Utilities & Fees	262,700	262,131
Office Operations	86,008	61,449
Program/Recreation	42,940	81,417
Capital Outlay	132,588	1,503,615
Public Employees Retirement	189,739	168,750
Workers' Compensation	36,087	37,197
Unemployment Compensation		4,182
Other	7,398	19,665
Payment of Principal on Debt	220,000	210,000
Payment of Interest on Debt	39,240	45,330
Total Disbursements	<u>4,514,290</u>	<u>6,043,289</u>
Excess (Deficiency) Before Transfers	694,034	(866,111)
Transfers	(47)	(226)
Increase (Decrease) in Net Assets	<u>\$693,987</u>	<u>(\$866,337)</u>

Program receipts represented 2.9 percent of total receipts in 2010. Charges for services, 1.7 percent of total receipts in 2010, were primarily comprised of fees for camps, tennis lessons, adult athletic leagues, and facility reservations. Operating grants and contributions in 2010 included donations restricted to specific uses including \$2,699 from Montgomery County Solid Waste District for recycled benches and recycling bins, \$5,850 from the Landmark's Foundation of Centerville and Washington Township for a study of the Smith house, \$9,500 from the Centerville United Soccer Association for irrigation at Oak Grove Park, \$40,000 from the Centerville Wee Elks Association for improvements at Schoolhouse Park. Capital grants and contributions included \$5,002 from an Ohio NatureWorks grant for a shelter and playground at Oak Creek South Park.

A ten-year 2.0 mill operating levy approved by voters in 2007 supports Park District operations along with a ten-year 0.9 mill levy approved by voters in 2004 for park improvements. These local taxes make up the largest portion of receipts for the Park District.

Disbursements in 2010 included major park development at Oak Creek South Park and Oak Grove Park and the expansion of the park headquarters building.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)  
(Continued)**

**The District's Funds**

2010 total governmental funds included receipts of \$5,208,324 and disbursements of \$4,514,290. The fund balance of the General Fund increased by \$765,167.

The fund balance of the Park Improvement Fund decreased by \$72,750 as funds were used to develop a playground at Weatherstone Park and to complete the group shelter at Oak Creek South Park.

**General Fund Budgeting Highlights**

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

In 2010, the District received higher than anticipated property tax revenues, intergovernmental revenue, gifts and donations, program income, depository interest, and other income.

Final disbursements in 2010 were budgeted at \$5,900,178 while actual disbursements totaled \$4,974,407. Savings in the improvements account came from projects completed at Oak Creek South Park, Oak Grove Park, and Washington Trace Park. Additional savings are due to the rescheduling of improvement projects at Forest Field Park and Silvercreek Park. The District also experienced savings in salaries, operations, equipment, professional services, program, retirement, workers' compensation, unemployment compensation, and utilities and fees accounts.

**Capital Assets and Debt Administration**

**Capital Assets**

The District does not currently keep track of its capital assets and infrastructure.

**Debt**

At December 31, 2010, the District's outstanding debt included \$965,000 in general obligation bonds issued for park improvements. For further information regarding the District's debt, refer to Note 10 to the basic financial statements.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Business Manager, Centerville-Washington Park District, 221 N. Main Street, Centerville, OH 45459.

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**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2010**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$4,433,562</u>
Total Assets	<u><u>4,433,562</u></u>
<b>Net Assets:</b>	
<b>Restricted For:</b>	
Capital Projects	1,470,645
Unrestricted	<u>2,962,917</u>
Total Net Assets	<u><u>\$4,433,562</u></u>

*See accompanying notes to the basic financial statements.*

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash	Charges	Operating	Capital Grants	Governmental
	Disbursements	for Services and Sales	Grants and Contributions	and Contributions	
<b>Governmental Activities</b>					
<b>Current:</b>					
Salaries - Employees	\$1,540,604				(\$1,540,604)
Improvements	1,313,210		\$60,535		(1,252,675)
Operations	429,453		200		(429,253)
Equipment	188,763				(188,763)
Professional Services	25,560				(25,560)
Utilities & Fees	262,700				(262,700)
Office Operations	86,008				(86,008)
Program/Recreation	42,940	\$86,675			43,735
Capital Outlay	132,588			\$5,002	(127,586)
Public Employees Retirement	189,739				(189,739)
Workers' Compensation	36,087				(36,087)
Other	7,398				(7,398)
<b>Debt:</b>					
Payment of Principal	220,000				(220,000)
Payment of Interest	39,240				(39,240)
Total Governmental Activities	\$4,514,290	\$86,675	\$60,735	\$5,002	(4,361,878)
<b>General Receipts:</b>					
Property Taxes Levied for General Purposes					4,220,899
Intergovernmental Revenue					802,719
Gifts and Donations					715
Depository Interest					5,100
Other Receipts					26,479
Total General Receipts					5,055,912
Transfer Out					(47)
Total General Receipts and Transfers					5,055,865
Change in Net Assets					693,987
Net Assets Beginning of Year					3,739,575
Net Assets End of Year					\$4,433,562

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

	<b>General Fund</b>	<b>Land Acquisition Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,962,917	\$1,470,566	\$79	\$4,433,562
Total Assets	2,962,917	1,470,566	79	4,433,562
<b>Fund Balances:</b>				
<b>Reserved:</b>				
Reserved for Encumbrances	559,225			559,225
<b>Unreserved:</b>				
Undesignated, Reported in:				
General Fund	2,403,692			2,403,692
Capital Projects Fund		1,470,566	79	1,470,645
Total Fund Balances	\$2,962,917	\$1,470,566	\$79	\$4,433,562

*See accompanying notes to the basic financial statements.*

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>General Fund</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash Receipts:</b>				
General Property Tax	\$4,220,899			\$4,220,899
Intergovernmental Revenue	802,719		\$5,002	807,721
Gifts and Donations	61,450			61,450
Program Income	86,675			86,675
Depository Interest	5,100			5,100
Other Receipts	26,479			26,479
Total Cash Receipts	<u>5,203,322</u>		<u>5,002</u>	<u>5,208,324</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	1,540,604			1,540,604
Improvements	1,313,210			1,313,210
Operations	429,453			429,453
Equipment	188,763			188,763
Professional Services	25,560			25,560
Utilities & Fees	262,700			262,700
Office Operations	86,008			86,008
Program/Recreation	42,940			42,940
Capital Outlay			132,588	132,588
Public Employees Retirement	189,739			189,739
Workers' Compensation	36,087			36,087
Other	7,398			7,398
<b>Debt:</b>				
Payment of Principal			220,000	220,000
Payment of Interest			39,240	39,240
Total Cash Disbursements	<u>4,122,462</u>		<u>391,828</u>	<u>4,514,290</u>
Total Receipts Over/(Under) Disbursements	<u>1,080,860</u>		<u>(386,826)</u>	<u>694,034</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Advances-In	5,002		27,975	32,977
Advances-Out	(27,975)		(5,002)	(32,977)
Transfers-In		\$1,570	291,103	292,673
Transfers-Out	(292,720)			(292,720)
Total Other Financing Receipts/(Disbursements)	<u>(315,693)</u>	<u>1,570</u>	<u>314,076</u>	<u>(47)</u>
Net Change in Fund Balance	765,167	1,570	(72,750)	693,987
Fund Cash Balances, Beginning of Year	<u>2,197,750</u>	<u>1,468,996</u>	<u>72,829</u>	<u>3,739,575</u>
Fund Cash Balances, End of Year	<u>\$2,962,917</u>	<u>\$1,470,566</u>	<u>\$79</u>	<u>\$4,433,562</u>

See accompanying notes to the basic financial statements.



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>Receipts:</b>				
General Property Tax	\$4,063,872	\$4,063,872	\$4,220,899	\$157,027
Intergovernmental Revenue	752,921	758,627	802,719	44,092
Gifts and Donations	5,000	11,000	61,450	50,450
Program Income	75,000	75,000	86,675	11,675
Depository Interest	15,000	4,000	5,100	1,100
Other Receipts	14,000	21,000	26,479	5,479
<b>Total Cash Receipts</b>	<b>4,925,793</b>	<b>4,933,499</b>	<b>5,203,322</b>	<b>269,823</b>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	1,667,261	1,667,261	1,541,467	125,794
Improvements	2,389,770	2,389,770	1,810,760	579,010
Operations	509,157	511,157	441,978	69,179
Equipment	234,307	227,307	200,365	26,942
Professional Services	50,352	50,352	29,259	21,093
Utilities & Fees	307,025	312,025	279,165	32,860
Office Operations	100,714	100,714	99,166	1,548
Program/Recreation	57,297	63,003	44,717	18,286
Public Employees Retirement	203,935	203,935	189,739	14,196
Workers' Compensation	45,000	45,000	36,087	8,913
Unemployment Compensation	12,348	12,348		12,348
Other	23,941	23,941	8,984	14,957
<b>Total Cash Disbursements</b>	<b>5,601,107</b>	<b>5,606,813</b>	<b>4,681,687</b>	<b>925,126</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(675,314)</b>	<b>(673,314)</b>	<b>521,635</b>	<b>1,194,949</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Advances-In	32,977	32,977	5,002	(27,975)
Advances-Out	(27,975)	(27,975)	(27,975)	
Transfers-Out	(300,265)	(293,365)	(292,720)	645
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(295,263)</b>	<b>(288,363)</b>	<b>(315,693)</b>	<b>(27,330)</b>
<b>Net Change in Fund Balance</b>	<b>(970,577)</b>	<b>(961,677)</b>	<b>205,942</b>	<b>1,167,619</b>
Fund Balances, Beginning of Year	1,778,167	1,778,167	1,778,167	
Prior Year Encumbrances Appropriated	419,583	419,583	419,583	
<b>Fund Balances, End of Year</b>	<b>\$1,227,173</b>	<b>\$1,236,073</b>	<b>\$2,403,692</b>	<b>\$1,167,619</b>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
PRIVATE PURPOSE TRUST FUND  
DECEMBER 31, 2010**

	<b>William and Dorothy Yeck Nature Fund</b>
Equity in Pooled Cash and Cash Equivalents	<u>\$26,814</u>
Total Assets	<u>26,814</u>
<b>Net Assets:</b>	
Unrestricted	<u>26,814</u>
Total Net Assets	<u>\$26,814</u>

*See accompanying notes to the basic financial statements.*

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS  
PRIVATE PURPOSE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>William and Dorothy Yeck Nature Fund</u>
<b>Additions:</b>	
Gifts and Donations	<u>\$38,427</u>
<b>Deductions:</b>	
Payments in Accordance with Trust Agreement	<u>44,260</u>
Change in Net Assets Before Transfers In	(5,833)
Transfers In	<u>47</u>
Change in Net Assets After Transfers In	(5,786)
Net Assets - Beginning of Year	<u>32,600</u>
Net Assets - End of Year	<u><u>\$26,814</u></u>

*See accompanying notes to the basic financial statements.*

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**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**1. DESCRIPTION OF THE PARK DISTRICT AND REPORTING ENTITY**

The Centerville-Washington Park District, Montgomery County, (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 Montgomery County Court of Common Pleas. 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 the same as the Board deems conducive to the general welfare.

**A. Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Park District, this includes general operations.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting the Auditor of State prescribes or permits. This basis of accounting is similar to the cash receipts and disbursements basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity-wide statements versus budgetary expenditures result from encumbrances outstanding at the beginning and end of the year.

**A. Fund Accounting**

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District classifies each fund as either governmental or fiduciary.

**1. Governmental Funds:**

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the Park District's major governmental funds:

**General Fund** - This fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Land Acquisition Fund** - This fund is used to account for receipts that are restricted for land acquisition.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Fiduciary Funds:**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Park District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Park District's own programs. The District's only trust fund accounts for monies donated by The William and Dorothy Yeck Family Foundation to be used for funding various park and park improvement projects.

**B. Basis of Presentation**

The District's basic financial statements consist of a government-wide statement of activities and fund financial statements providing more detailed financial information.

**1. Government-wide Financial Statement of Activities:**

This statement displays information about the District as a whole, except for fiduciary funds.

The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash-basis or draws from the District's general receipts.

**2. Fund Financial Statements:**

Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate non-major funds in a single column.

**C. Cash, Cash Equivalents and Investments**

The District deposits and invests cash from all funds in a common pool. The financial statements present each fund's share of interest in the pool as equity in pooled cash and cash equivalents on the financial statements.

The District values investments and cash equivalents at cost. For presentation on the financial statements, the District classifies investments of the cash management pool as cash equivalents.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during fiscal year 2010 was \$5,100, including \$1,713 assigned from other funds.

**D. Restricted Assets**

The financial statements classify cash, cash equivalents and investments as restricted when external limitations change the nature or normal understanding of their use. Creditors, contributors, grantors, laws of other governments or enabling legislation are the sources of the restrictions.

**E. Inventory and Prepaid Items**

On the cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

**F. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**G. Compensated Absences**

In certain circumstances, such as upon leaving employment, 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.

**H. Long-term Obligations**

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal payments.

**I. Fund Balance Designations and Reserves**

The District reserves those portions of fund equity legally segregated for a specific future use or which are not available for appropriation or disbursement. The District has reserved fund equity for encumbrances.

**J. Net Assets**

The statements report restricted net assets when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The District first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

For 2010, the statement of net assets reports \$1,470,645 of restricted net assets, of which none is restricted by enabling legislation.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Interfund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**L. Budgetary Data**

Ohio law requires the District to budget and appropriate all funds. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts the District may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board uses the Function level within each fund as its legal level of control.

The certificate of estimated resources may be amended during the year if the District projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the Board adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

**3. PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during each year for real and public utilities property taxes represent collections of prior year taxes. Property tax payments received during each year for tangible personal property (other than public utility property) are for current year taxes.

Real property taxes are levied after October 1 on the assessed value as of January 1 the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2010 with real property taxes.



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**3. PROPERTY TAXES (Continued)**

Tangible personal property taxes collected in the year reported are levied after October 1 of the prior year, on the value as of December 31 of the prior year. Tangible personal property assessments are 25 percent of true value for capital assets and 15 percent of true value for inventory. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the District. The County Auditor periodically remits to the District its portion of the taxes.

The full tax rate for all District operations for the year ended December 31, 2010 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which property tax receipts were based are as follows:

<u>Category</u>	<u>2010 Collections 2009 Assessed Value</u>
Real Property	\$1,697,137,460
Public Utility Property	22,613,600
Tangible	686,390
Totals	\$1,720,437,450

**4. DEPOSITS AND INVESTMENTS**

Ohio law restricts deposits and investments to the following:

- Commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts;
- Money market deposits;
- Savings accounts or certificates of deposit;
- United States Treasury securities, or securities of its agencies or instrumentalities the federal government guarantees;
- No-load money market mutual funds consisting exclusively of obligations described in (d) above and repurchase agreements secured by such obligations;
- The State Treasurer's investment pool (STAR Ohio, a Rule 2-a7-like pool);
- Certain bankers' acceptances and commercial paper notes;
- Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

An investment must mature within five years from the purchase date unless matched to a specific Park District obligation or debt and must be purchased with the expectation it will be held to maturity. Investments may only be made through specified dealers and institutions.

**A. Deposits**

At year-end 2010, the carrying amount of the District's deposits was \$3,189,557 and the bank balance was \$3,201,705. \$250,000 of the bank balance was covered by federal depository insurance and \$2,951,705 was uninsured and uncollateralized. Although the District followed all state statutory requirements for these deposits, noncompliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

The District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is not evidenced by securities that exist in physical or book entry form. The fair value of the investment in STAR Ohio at December 31, 2010 was \$1,270,819.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits that are not FDIC insured. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution in excess of FDIC coverage whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk by requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, limiting investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor's. The District has no investment policy dealing with investment credit risk beyond the requirements in State Statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk: The District places no limit on the amount it may invest with any one issuer.

**5. 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 – Budget 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 disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$559,225 for the general fund.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**6. INTERFUND TRANSFERS AND ADVANCES**

Interfund cash transfers for the year ended December 31, 2010 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>				<u>Total</u>
	<u>Park Improvement</u>	<u>Land Acquisition</u>	<u>Debt Service</u>	<u>William &amp; Dorothy Yeck Nature</u>	
<b>Governmental Activities:</b>					
General	\$31,863	\$1,570	\$259,240	\$47	\$292,720

Interfund cash advances for the year ended December 31, 2010 were as follows;

<u>Advance from</u>	<u>Advance To</u>		
	<u>General</u>	<u>Park Improvement</u>	<u>Total</u>
<b>Governmental Activities:</b>			
General		\$27,975	\$27,975
Park Improvement	\$5,002		5,002
Total	<u>\$5,002</u>	<u>\$27,975</u>	<u>\$32,977</u>

Funds were advanced from the general fund to the park improvement fund to pay costs to be reimbursed by an Ohio NatureWorks grant. The project was completed by the end of 2010, but the reimbursement was not received from the state of Ohio and is expected in early 2011.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained Commercial Insurance for the following risks:

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

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The District provides health, dental, vision, disability, and life insurance coverage to full-time employees through private carriers.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**8. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. (1) The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan. (2) 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% 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. (3) 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.

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. 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 writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. The 2010 member contribution rate was 10.0% for members in local classifications. The 2010 employer contribution rate for local government employer units was 14.00% of covered payroll. The District's required contributions to OPERS for the years ended 2010, 2009, and 2008 were \$176,668, \$169,778, and \$156,314 respectively. 100% has been paid for 2010, 2009, and 2008.

**9. POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 8, the Ohio Public Employees Retirement System (OPERS) provides other post-employment benefits (OPEB).

**Plan Description** - 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 Traditional 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-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS 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. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**9. POST EMPLOYMENT BENEFITS (Continued)**

**Funding Policy** - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. 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 the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual employer contributions for 2010 which were used to fund post-employment benefits were \$64,130.

**OPERS Retirement Board Implements its Health Care Preservation Plan** - The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**10. LONG-TERM LIABILITIES**

The changes in the District's long-term obligations during 2010 consist of the following:

	<b>Balance at January 1, 2010</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance at December 31, 2010</b>	<b>Amounts Due in One Year</b>
General Obligation Bonds	\$1,185,000	\$0	\$220,000	\$965,000	\$225,000
2005 Park Improvement Bonds					

After the voters approved a 0.9 mill tax levy in 2004, the District issued General Obligation Park Improvement Bonds on March 1, 2005, in the amount of \$2,000,000 at a variable rate for a term of nine years to improve the parks. Interest payments are due semi-annually and principal payments are due annually to The Bank of New York Trust Company, Cincinnati, Ohio, the Registrar and Paying Agent. The Bonds are collateralized by the taxing authority of the District.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)**

**10. LONG-TERM LIABILITIES (Continued)**

Amortization of the above debt, including interest, is scheduled as follows:

<b>Year ending December 31:</b>	
2011	\$257,640
2012	265,553
2013	262,632
2014	<u>264,180</u>
Total	<u><u>\$1,050,005</u></u>

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

This discussion and analysis of the Centerville-Washington Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2009 within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2009 are as follows:

- The net assets of governmental activities decreased by \$866,337 or 18.8% in 2009. The decrease is due to a long planned expenditure of \$1,204,472 for the purchase of 37 acres for the expansion of a nature park. Unrestricted net assets increased by \$258,302 or 13.3%.
- The District's general receipts are primarily property taxes. Property tax receipts for 2009 increased 17.3% from 2008 largely due to the first-year collections from a replacement 2.0 mill operating levy approved by the voters in 2007.

**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.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

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.

The notes to the financial statements are an integral part of the district-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**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.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)  
(Continued)**

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2009, within the limitations of the cash basis of accounting. The statement of net assets 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 non-financial 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 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 two categories: governmental and fiduciary.

**Governmental Funds** - Most 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 District's major governmental funds are the General Fund and the Land Acquisition Fund. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in Other Governmental Funds. The Park Improvement Fund, the FEMA Fund, and the Debt Service Fund are classified as non-major. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Fiduciary Funds** – The fiduciary fund is used to account for resources held for the benefit of parties outside the District. The fiduciary fund is not reflected on the government-wide financial statements because the resources of these funds are not available to support the District's programs. The District's only trust fund accounts for monies donated by The William and Dorothy Yeck Family Foundation to be used for funding various park and park improvement projects as approved by the trust.



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)  
(Continued)**

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2009 compared to 2008 on a cash basis:

**(Table 1)**  
**Net Assets**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
<b>Assets:</b>		
Cash and Cash Equivalents	\$3,739,575	\$4,605,912
<b>Net Assets:</b>		
<b>Restricted for:</b>		
Capital Projects	1,541,825	2,666,464
Unrestricted	2,197,750	1,939,448
Total Net Assets	<u>\$3,739,575</u>	<u>\$4,605,912</u>

Net assets of governmental activities decreased \$866,337 during 2009. The decrease is due to a long planned expenditure of \$1,204,472 for the purchase of 37 acres for the expansion of a nature park. Unrestricted net assets increased by \$258,302 or 13.3%.

Table 2 reflects the changes in net assets in 2009 compared to 2008.

**(Table 2)**  
**Changes in Net Assets**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services	\$ 85,761	\$ 76,078
Operating Grants and Contributions	7,370	127,938
Capital Grants and Contributions	45,020	117,358
Total Program Receipts	138,151	321,374
<b>General Receipts:</b>		
General Property Tax	4,190,865	3,571,304
Intergovernmental Revenue	809,757	635,506
Gifts and Donations	411	1,057
Depository Interest	15,102	103,025
Other Receipts	22,892	66,919
Total General Receipts	<u>5,039,027</u>	<u>4,377,811</u>
Total Receipts	<u>5,177,178</u>	<u>4,699,185</u>

(Continued)

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)  
(Continued)**

**(Table 2)  
Changes in Net Assets  
(Continued)**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
<b>Disbursements:</b>		
Salaries - Employees	1,494,724	1,321,784
Improvements	1,596,302	1,351,352
Operations	366,486	331,521
Equipment	165,433	165,273
Professional Services	26,608	34,897
Utilities & Fees	262,131	221,185
Office Operations	61,449	68,838
Program/Recreation	81,417	38,587
Capital Outlay	1,503,615	221,097
Public Employees Retirement	168,750	155,548
Workers' Compensation	37,197	32,867
Unemployment Compensation	4,182	7,727
Other	19,665	64,309
Payment of Principal on Debt	210,000	210,000
Payment of Interest on Debt	45,330	51,105
Total Disbursements	<u>6,043,289</u>	<u>4,276,090</u>
Excess (Deficiency) Before Transfers	(866,111)	423,095
Transfers	(226)	(1,348)
Increase (Decrease) in Net Assets	<u>(\$ 866,337)</u>	<u>\$421,747</u>

Program receipts represented 2.7 percent of total receipts in 2009. Charges for services, 1.7 percent of total receipts in 2009, were primarily comprised of fees for camps, tennis lessons, adult athletic leagues, and facility reservations. Operating grants and contributions in 2009 included donations restricted to specific uses including \$4,207 from Montgomery County Solid Waste District for recycling containers. Capital grants and contributions included \$45,020 from an Ohio NatureWorks grant for a shelter and playground at Oak Creek South Park.

A ten-year 2.0 mill operating levy approved by voters in 2007 supports Park District operations along with a ten-year 0.9 mill levy approved by voters in 2004 for park improvements. These local taxes make up the largest portion of receipts for the Park District.

Disbursements in 2009 included major park development at Oak Creek South Park and Oak Grove Park and construction of the Iron Horse Trail.

**The District's Funds**

2009 total governmental funds included receipts of \$5,177,178 and disbursements of \$6,043,289. The fund balance of the General Fund increased by \$258,302.

The fund balance of the Land Acquisition Fund decreased by \$1,197,468 due to the purchase of 37 acres for the expansion of a nature park.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)  
(Continued)**

**General Fund Budgeting Highlights**

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

In 2009, the District received higher than anticipated property tax revenues, intergovernmental revenue, program income, depository interest, and other income. Actual gifts and donations were lower than the budgeted amount.

Final disbursements in 2009 were budgeted at \$5,774,403 while actual disbursements totaled \$5,288,437. Savings in the improvements account came from projects completed at Oak Grove Park, Oak Creek South Park, and the Iron Horse Trail. Additional savings are due to the rescheduling of improvement projects at Divided Ridge Park and Stansel Park. The District also experienced savings in salaries, operations, equipment, professional services, program, retirement, and utilities and fees accounts.

**Capital Assets and Debt Administration**

**Capital Assets**

The District does not currently keep track of its capital assets and infrastructure.

**Debt**

At December 31, 2009, the District's outstanding debt included \$1,185,000 in general obligation bonds issued for park improvements. For further information regarding the District's debt, refer to Note 10 to the basic financial statements.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Business Manager, Centerville-Washington Park District, 221 N. Main Street, Centerville, OH 45459.

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**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2009**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,739,575</u>
Total Assets	<u><u>3,739,575</u></u>
<b>Net Assets:</b>	
<b>Restricted For:</b>	
Capital Projects	1,541,825
Unrestricted	<u>2,197,750</u>
Total Net Assets	<u><u>\$3,739,575</u></u>

*See accompanying notes to the basic financial statements.*

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>					
<b>Current:</b>					
Salaries - Employees	\$1,494,724				(\$1,494,724)
Improvements	1,596,302		\$1,914		(1,594,388)
Operations	366,486		4,706		(361,780)
Equipment	165,433				(165,433)
Professional Services	26,608				(26,608)
Utilities & Fees	262,131				(262,131)
Office Operations	61,449				(61,449)
Program/Recreation	81,417	\$85,761	750		5,094
Capital Outlay	1,503,615			\$45,020	(1,458,595)
Public Employees Retirement	168,750				(168,750)
Workers' Compensation	37,197				(37,197)
Unemployment Compensator	4,182				(4,182)
Other	19,665				(19,665)
<b>Debt:</b>					
Payment of Principal	210,000				(210,000)
Payment of Interest	45,330				(45,330)
<b>Total Governmental Activities</b>	<u>\$6,043,289</u>	<u>\$85,761</u>	<u>\$7,370</u>	<u>\$45,020</u>	<u>(5,905,138)</u>

**General Receipts:**

Property Taxes Levied for General Purposes	4,190,865
Intergovernmental Revenue	809,757
Gifts and Donations	411
Depository Interest	15,102
Other Receipts	22,892
<b>Total General Receipts</b>	<u>5,039,027</u>

Transfer Out (226)

**Total General Receipts and Transfers** 5,038,801

Change in Net Assets (866,337)

Net Assets Beginning of Year 4,605,912

Net Assets End of Year \$3,739,575

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>General Fund</b>	<b>Land Acquisition Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,197,750	\$1,468,996	\$72,829	\$3,739,575
Total Assets	2,197,750	1,468,996	72,829	3,739,575
<b>Fund Balances:</b>				
<b>Reserved:</b>				
Reserved for Encumbrances	419,583		72,829	492,412
<b>Unreserved:</b>				
<b>Undesignated, Reported in:</b>				
General Fund	1,778,167			1,778,167
Capital Projects Fund		1,468,996		1,468,996
Total Fund Balances	\$2,197,750	\$1,468,996	\$72,829	\$3,739,575

*See accompanying notes to the basic financial statements.*

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General Fund</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash Receipts:</b>				
General Property Tax	\$4,190,865			\$4,190,865
Intergovernmental Revenue	784,099		\$70,678	854,777
Gifts and Donations	7,781			7,781
Program Income	85,761			85,761
Depository Interest	15,102			15,102
Other Receipts	22,892			22,892
Total Cash Receipts	<u>5,106,500</u>		<u>70,678</u>	<u>5,177,178</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	1,494,724			1,494,724
Improvements	1,596,302			1,596,302
Operations	366,486			366,486
Equipment	165,433			165,433
Professional Services	26,608			26,608
Utilities & Fees	262,131			262,131
Office Operations	61,449			61,449
Program/Recreation	81,417			81,417
Capital Outlay		\$1,204,472	299,143	1,503,615
Public Employees Retirement	168,750			168,750
Workers' Compensation	37,197			37,197
Unemployment Compensation	4,182			4,182
Other	19,665			19,665
<b>Debt:</b>				
Payment of Principal			210,000	210,000
Payment of Interest			45,330	45,330
Total Cash Disbursements	<u>4,284,344</u>	<u>1,204,472</u>	<u>554,473</u>	<u>6,043,289</u>
Total Receipts Over/(Under) Disbursements	<u>822,156</u>	<u>(1,204,472)</u>	<u>(483,795)</u>	<u>(866,111)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Advances-In	45,020		50,022	95,042
Advances-Out	(50,022)		(45,020)	(95,042)
Transfers-In	25,658	7,004	577,280	609,942
Transfers-Out	(584,510)		(25,658)	(610,168)
Total Other Financing Receipts/(Disbursements)	<u>(563,854)</u>	<u>7,004</u>	<u>556,624</u>	<u>(226)</u>
Net Change in Fund Balance	258,302	(1,197,468)	72,829	(866,337)
Fund Cash Balances, Beginning of Year	<u>1,939,448</u>	<u>2,666,464</u>		<u>4,605,912</u>
Fund Cash Balances, End of Year	<u>\$2,197,750</u>	<u>\$1,468,996</u>	<u>\$72,829</u>	<u>\$3,739,575</u>

See accompanying notes to the basic financial statements.



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>Receipts:</b>				
General Property Tax	\$4,144,142	\$4,177,677	\$4,190,865	\$13,188
Intergovernmental Revenue	749,576	784,054	784,099	45
Gifts and Donations	15,000	15,000	7,781	(7,219)
Program Income	75,000	82,100	85,761	3,661
Depository Interest	40,000	15,000	15,102	102
Other Receipts	14,000	19,800	22,892	3,092
Total Cash Receipts	<u>5,037,718</u>	<u>5,093,631</u>	<u>5,106,500</u>	<u>12,869</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries - Employees	1,585,540	1,585,540	1,517,717	67,823
Improvements	2,055,652	2,070,652	1,885,071	185,581
Operations	435,008	439,008	412,343	26,665
Equipment	198,071	194,071	183,341	10,730
Professional Services	63,233	63,233	32,961	30,272
Utilities & Fees	328,441	328,441	273,756	54,685
Office Operations	98,819	98,819	66,062	32,757
Program/Recreation	100,699	100,699	83,714	16,985
Public Employees Retirement	188,918	188,918	182,836	6,082
Workers' Compensation	40,000	40,000	37,197	2,803
Unemployment Compensation	10,348	10,348	6,530	3,818
Other	45,566	45,566	22,399	23,167
Total Cash Disbursements	<u>5,150,295</u>	<u>5,165,295</u>	<u>4,703,927</u>	<u>461,368</u>
Total Receipts Over/(Under) Disbursements	<u>(112,577)</u>	<u>(71,664)</u>	<u>402,573</u>	<u>474,237</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Advances-In	50,022	50,022	45,020	(5,002)
Advances-Out	(50,022)	(50,022)	(50,022)	
Transfers-In		25,658	25,658	
Transfers-Out	(652,308)	(609,108)	(584,510)	24,598
Total Other Financing Receipts/(Disbursements)	<u>(652,308)</u>	<u>(583,450)</u>	<u>(563,854)</u>	<u>19,596</u>
Net Change in Fund Balance	(764,885)	(655,114)	(161,281)	493,833
Fund Balances, Beginning of Year	1,602,559	1,602,559	1,602,559	
Prior Year Encumbrances Appropriated	<u>336,889</u>	<u>336,889</u>	<u>336,889</u>	
Fund Balances, End of Year	<u>\$1,174,563</u>	<u>\$1,284,334</u>	<u>\$1,778,167</u>	<u>\$493,833</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
PRIVATE PURPOSE TRUST FUND  
DECEMBER 31, 2009**

	<b>William and Dorothy Yeck Nature Fund</b>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$32,600
Total Assets	<u>32,600</u>
<b>Net Assets:</b>	
Unrestricted	32,600
Total Net Assets	<u>\$32,600</u>

*See accompanying notes to the basic financial statements.*

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS  
PRIVATE PURPOSE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>William and Dorothy Yeck Nature Fund</b>
<b>Additions:</b>	
Gifts and Donations	\$29,533
<b>Deductions:</b>	
Payments in Accordance with Trust Agreement	60,395
Change in Net Assets Before Transfers In	(30,862)
Transfers In	226
Change in Net Assets After Transfers In	(30,636)
Net Assets - Beginning of Year	63,236
Net Assets - End of Year	\$32,600

*See accompanying notes to the basic financial statements.*

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**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**1. DESCRIPTION OF THE PARK DISTRICT AND REPORTING ENTITY**

The Centerville-Washington Park District, Montgomery County, (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 Montgomery County Court of Common Pleas. 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 the same as the Board deems conducive to the general welfare.

**A. Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Park District, this includes general operations.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting the Auditor of State prescribes or permits. This basis of accounting is similar to the cash receipts and disbursements basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity-wide statements versus budgetary expenditures result from encumbrances outstanding at the beginning and end of the year.

**A. Fund Accounting**

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District classifies each fund as either governmental or fiduciary.

**1. Governmental Funds**

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the Park District's major governmental funds:

**General Fund** - This fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Land Acquisition Fund** - This fund is used to account for receipts that are restricted for land acquisition.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Fiduciary Funds:**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Park District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Park District's own programs. The District's only trust fund accounts for monies donated by The William and Dorothy Yeck Family Foundation to be used for funding various park and park improvement projects.

**B. Basis of Presentation**

The District's basic financial statements consist of a government-wide statement of activities and fund financial statements providing more detailed financial information.

**1. Government-wide Financial Statement of Activities:**

This statement displays information about the District as a whole, except for fiduciary funds.

The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash-basis or draws from the District's general receipts.

**2. Fund Financial Statements:**

Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate non-major funds in a single column.

**C. Cash, Cash Equivalents and Investments**

The District deposits and invests cash from all funds in a common pool. The financial statements present each fund's share of interest in the pool as equity in pooled cash and cash equivalents on the financial statements.

The District values investments and cash equivalents at cost. For presentation on the financial statements, the District classifies investments of the cash management pool as cash equivalents.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during fiscal year 2009 was \$15,102, including \$6,304 assigned from other funds.

**D. Restricted Assets**

The financial statements classify cash, cash equivalents and investments as restricted when external limitations change the nature or normal understanding of their use. Creditors, contributors, grantors, laws of other governments or enabling legislation are the sources of the restrictions.

**E. Inventory and Prepaid Items**

On the cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

**F. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**G. Compensated Absences**

In certain circumstances, such as upon leaving employment, 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.

**H. Long-term Obligations**

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal payments.

**I. Fund Balance Designations and Reserves**

The District reserves those portions of fund equity legally segregated for a specific future use or which are not available for appropriation or disbursement. The District has reserved fund equity for encumbrances.

**J. Net Assets**

The statements report restricted net assets when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The District first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

For 2009, the statement of net assets reports \$1,541,825 of restricted net assets, of which none is restricted by enabling legislation.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Interfund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**L. Budgetary Data**

Ohio law requires the District to budget and appropriate all funds. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts the District may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board uses the Function level within each fund as its legal level of control.

The certificate of estimated resources may be amended during the year if the District projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the Board adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

**3. PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during each year for real and public utilities property taxes represent collections of prior year taxes. Property tax payments received during each year for tangible personal property (other than public utility property) are for current year taxes.

Real property taxes are levied after October 1 on the assessed value as of January 1 the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**3. PROPERTY TAXES (Continued)**

Tangible personal property taxes collected in the year reported are levied after October 1 of the prior year, on the value as of December 31 of the prior year. Tangible personal property assessments are 25 percent of true value for capital assets and 17 percent of true value for inventory. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the District. The County Auditor periodically remits to the District its portion of the taxes.

The full tax rate for all District operations for the year ended December 31, 2009 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which property tax receipts were based are as follows:

<b>Category</b>	<b>2009 Collections 2008 Assessed Value</b>
Real Property	\$1,669,716,470
Public Utility Property	22,815,220
Tangible	3,987,360
Totals	\$1,696,519,050

**4. DEPOSITS AND INVESTMENTS**

Ohio law restricts deposits and investments to the following:

- Commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts;
- Money market deposits;
- Savings accounts or certificates of deposit;
- United States Treasury securities, or securities of its agencies or instrumentalities the federal government guarantees;
- No-load money market mutual funds consisting exclusively of obligations described in (d) above and repurchase agreements secured by such obligations;
- The State Treasurer's investment pool (STAR Ohio, a Rule 2-a7-like pool);
- Certain bankers' acceptances and commercial paper notes;
- Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

An investment must mature within five years from the purchase date unless matched to a specific Park District obligation or debt and must be purchased with the expectation it will be held to maturity. Investments may only be made through specified dealers and institutions.

**A. Deposits**

At year-end 2009, the carrying amount of the District's deposits was \$2,502,731 and the bank balance was \$2,515,007. \$250,000 of the bank balance was covered by federal depository insurance and \$2,265,007 was uninsured and uncollateralized. Although the District followed all state statutory requirements for these deposits, noncompliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

The District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is not evidenced by securities that exist in physical or book entry form. The fair value of the investment in STAR Ohio at December 31, 2009 was \$1,269,444.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits not covered by FDIC insurance. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured that are not covered by FDIC insurance.

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk by requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, limiting investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor's. The District has no investment policy dealing with investment credit risk beyond the requirements in State Statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk: The District places no limit on the amount it may invest with any one issuer.

**5. 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 – Budget 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 disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$419,583 for the general fund.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**6. INTERFUND TRANSFERS AND ADVANCES**

Interfund cash transfers for the year ended December 31, 2009 were as follows:

	<u>Transfer To</u>					<u>Total</u>
	<u>General</u>	<u>Park Improvement</u>	<u>Land Acquisition</u>	<u>Debt Service</u>	<u>William &amp; Dorothy Yeck Nature</u>	
<b>Transfer from</b>						
<b>Governmental Activities:</b>						
General		\$321,950	\$7,004	\$255,330	\$226	\$584,510
FEMA	\$25,658					25,658
<b>Total</b>	<u>\$25,658</u>	<u>\$321,950</u>	<u>\$7,004</u>	<u>\$255,330</u>	<u>\$226</u>	<u>\$610,168</u>

Interfund cash advances for the year ended December 31, 2009 were as follows:

	<u>Advance To</u>		
	<u>General</u>	<u>Park Improvement</u>	<u>Total</u>
<b>Advance from</b>			
<b>Governmental Activities:</b>			
General		\$50,022	\$50,022
Park Improvement	\$45,020		45,020
<b>Total</b>	<u>\$45,020</u>	<u>\$50,022</u>	<u>\$95,042</u>

Funds were advanced from the general fund to the park improvement fund to pay costs to be reimbursed by a Ohio NatureWorks grant. The project was 90% complete in 2009, so the grant reimbursed the District 90% and those funds were advanced back to the general fund. The balance is expected to be paid in 2010.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained Commercial Insurance for the following risks:

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

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The District provides health, dental, vision, disability, and life insurance coverage to full-time employees through private carriers.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**8. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. (1) The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan. (2) 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% 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. (3) 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.

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. 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 writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans. The 2009 member contribution rate was 10.0% for members in local classifications. The 2009 employer contribution rate for local government employer units was 14.00% of covered payroll. The District's required contributions to OPERS for the years ended 2009, 2008, and 2007 were \$169,778, \$156,314, and \$153,296 respectively. 93.0% has been paid for 2009 and 100% has been paid for 2008 and 2007.

**9. POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 8, the Ohio Public Employees Retirement System (OPERS) provides other post-employment benefits (OPEB).

**Plan Description** - 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 Traditional 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-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS 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. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**9. POST EMPLOYMENT BENEFITS (Continued)**

**Funding Policy** - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. 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. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll January 1, 2009 through March 31, 2009 and 5.5% April 1, 2009 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual employer contributions for 2009 which were used to fund post-employment benefits were \$70,800.

**OPERS Retirement Board Implements its Health Care Preservation Plan** - The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**10. LONG-TERM LIABILITIES**

The changes in the District's long-term obligations during 2009 consist of the following:

	<u>Balance at January 1, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at December 31, 2009</u>	<u>Amounts Due in One Year</u>
General Obligation Bonds	\$1,395,000	\$0	\$210,000	\$1,185,000	\$220,000
2005 Park Improvement Bonds					

After the voters approved a 0.9 mill tax levy in 2004, the District issued General Obligation Park Improvement Bonds on March 1, 2005, in the amount of \$2,000,000 at a variable rate for a term of nine years to improve the parks. Interest payments are due semi-annually and principal payments are due annually to The Bank of New York Trust Company, Cincinnati, Ohio, the Registrar and Paying Agent. The Bonds are collateralized by the taxing authority of the District.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	
2010	\$ 259,240
2011	257,640
2012	265,553
2013	262,632
2014	264,180
Total	<u>\$1,309,245</u>

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Centerville-Washington Park District  
Montgomery County  
221 North Main St.  
Centerville, Ohio 45459

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville-Washington Park District, Montgomery County, (the District) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 14, 2011, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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*.

We intend this report solely for the information and use of management, the audit committee, Board of Park Commissioners, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

July 14, 2011





# Dave Yost • Auditor of State

**CENTERVILLE-WASHINGTON PARK DISTRICT**

**MONTGOMERY 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  
AUGUST 16, 2011**