



OHIO AUDITOR OF STATE
KEITH FABER



**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Park Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Accounting Basis

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

Emphasis of Matter

As discussed in Note 12 to the December 31, 2017 financial statements, the January 1, 2017 balances were restated. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 19, 2019

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

Statement of Net Position - Cash Basis
December 31, 2018

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents	\$ 8,470,045
Total assets	<u>8,470,045</u>
Net Position	
Restricted for:	
William and Dorothy Yeck Trust	73,767
Capital projects	102,902
Unrestricted	<u>8,293,376</u>
Total net position	<u>\$ 8,470,045</u>

See accompanying notes to the financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Salaries and benefits	\$ 2,011,638	\$ -	\$ -	\$ -	\$ (2,011,638)
Improvements	2,039,870	-	-	114,040	(1,925,830)
Operations	632,722	-	4,279	-	(628,443)
Equipment	128,779	-	-	-	(128,779)
Professional services	148,563	-	-	-	(148,563)
Utilities and fees	312,310	-	-	-	(312,310)
Office operations	117,829	-	-	-	(117,829)
Program/recreation	108,578	168,918	1,616	-	61,956
Public employee retirement	211,490	-	-	-	(211,490)
Planning and development	17,276	-	-	-	(17,276)
Unemployment compensation	406	-	-	-	(406)
Worker's compensation	25,774	-	-	-	(25,774)
Total governmental activities	\$ 5,755,235	\$ 168,918	\$ 5,895	\$ 114,040	(5,466,382)
		General Receipts			
		Property and other taxes levied for:			
				General purposes	4,402,600
				Grants and entitlements not restricted to specific programs	610,851
				Gifts and donations	280
				Bonds issued	1,000,000
				Interest	135,471
				Miscellaneous	26,272
				Total general receipts	6,175,474
				Change in net position	709,092
				Net position beginning of year	7,760,953
				Net position end of year	\$ 8,470,045

See accompanying notes to the financial statements.

CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2018

	General	Land Acquisition	Park Improvement	Capital Improvements	William and Dorothy Yeck Nature	Total Governmental Funds
Assets						
Equity in pooled cash and cash equivalents	\$ 7,681,743	\$ 597,715	\$ 13,918	\$ 102,902	\$ 73,767	\$ 8,470,045
Total assets	<u>\$ 7,681,743</u>	<u>\$ 597,715</u>	<u>\$ 13,918</u>	<u>\$ 102,902</u>	<u>\$ 73,767</u>	<u>\$ 8,470,045</u>
Fund Balances						
Restricted	\$ -	\$ -	\$ -	\$ 102,902	73,767	\$ 176,669
Committed	99,560	-	-	-	-	99,560
Assigned	1,350,645	597,715	13,918	-	-	1,962,278
Unassigned	6,231,538	-	-	-	-	6,231,538
Total fund balances	<u>\$ 7,681,743</u>	<u>\$ 597,715</u>	<u>\$ 13,918</u>	<u>\$ 102,902</u>	<u>\$ 73,767</u>	<u>\$ 8,470,045</u>

See accompanying notes to the 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, 2018

	General	Land Acquisition	Park Improvement	Capital Improvements	William and Dorothy Yeck Nature	Total Governmental Funds
Receipts						
General property taxes	\$ 4,402,600	\$ -	\$ -	\$ -	\$ -	\$ 4,402,600
Intergovernmental	610,851	-	-	-	-	610,851
Grants	1,616	21,433	67,607	-	-	90,656
Program income	168,918	-	-	-	-	168,918
Gifts and donations	29,559	-	-	-	-	29,559
Interest	135,471	-	-	-	-	135,471
Other	26,272	-	-	-	-	26,272
Total receipts	5,375,287	21,433	67,607	-	-	5,464,327
Disbursements						
Current:						
Salaries and benefits	2,011,638	-	-	-	-	2,011,638
Improvements	959,197	22,790	160,785	897,098	-	2,039,870
Operations	632,722	-	-	-	-	632,722
Equipment	128,779	-	-	-	-	128,779
Professional services	148,563	-	-	-	-	148,563
Utilities and fees	312,310	-	-	-	-	312,310
Office operations	117,829	-	-	-	-	117,829
Program/recreation	108,578	-	-	-	-	108,578
Public employee retirement	211,490	-	-	-	-	211,490
Planning and development	-	-	-	-	17,276	17,276
Unemployment compensation	406	-	-	-	-	406
Worker's compensation	25,774	-	-	-	-	25,774
Total disbursements	4,657,286	22,790	160,785	897,098	17,276	5,755,235
Excess of receipts over (under) disbursements	718,001	(1,357)	(93,178)	(897,098)	(17,276)	(290,908)
Other financing sources (uses)						
Bonds issued	-	-	-	1,000,000	-	1,000,000
Transfers in	-	11,477	-	-	42	11,519
Transfers out	(11,519)	-	-	-	-	(11,519)
Advances in	919	-	94,097	-	-	95,016
Advances out	(94,097)	-	(919)	-	-	(95,016)
Total other financing sources (uses)	(104,697)	11,477	93,178	1,000,000	42	1,000,000
Net change in fund balance	613,304	10,120	-	102,902	(17,234)	709,092
Fund balances beginning of year	7,068,439	587,595	13,918	-	91,001	7,760,953
Fund balances end of year	\$ 7,681,743	\$ 597,715	\$ 13,918	\$ 102,902	\$ 73,767	\$ 8,470,045

See accompanying notes to the 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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
General property taxes	\$ 4,128,176	\$ 4,128,176	\$ 4,402,600	\$ 274,424
Intergovernmental	607,360	607,360	610,851	3,491
Grants	-	-	1,616	1,616
Program income	139,212	160,000	168,918	8,918
Gifts and donations	8,995	27,500	29,559	2,059
Interest	75,000	75,000	135,471	60,471
Other	-	55,000	26,272	(28,728)
Total receipts	<u>4,958,743</u>	<u>5,053,036</u>	<u>5,375,287</u>	<u>322,251</u>
Disbursements				
Current:				
Salaries and benefits	2,172,957	2,199,884	2,011,951	187,933
Improvements	3,852,335	2,295,692	1,219,034	1,076,658
Operations	746,823	753,823	687,908	65,915
Equipment	157,845	157,845	135,684	22,161
Professional services	237,235	237,235	164,094	73,141
Utilities and fees	337,694	361,694	320,017	41,677
Office operations	156,333	156,333	121,275	35,058
Program/recreation	138,827	139,326	115,503	23,823
Public employee retirement	275,000	250,960	228,150	22,810
Unemployment compensation	5,045	5,000	406	4,594
Worker's compensation	32,843	30,000	25,774	4,226
Total disbursements	<u>8,112,937</u>	<u>6,587,792</u>	<u>5,029,796</u>	<u>1,557,996</u>
Excess of receipts under disbursements	<u>(3,154,194)</u>	<u>(1,534,756)</u>	<u>345,491</u>	<u>1,880,247</u>
Other financing sources (uses)				
Transfers out	(10,500)	(979,650)	(11,519)	968,131
Advances in	94,097	94,097	919	(93,178)
Advances out	(93,178)	(94,097)	(94,097)	-
Total other financing sources (uses)	<u>(9,581)</u>	<u>(979,650)</u>	<u>(104,697)</u>	<u>874,953</u>
Net change in fund balance	(3,163,775)	(2,514,406)	240,794	2,755,200
Fund balance at beginning of year	6,357,460	6,357,460	6,357,460	-
Prior year encumbrances appropriated	710,979	710,979	710,979	-
Fund balance at end of year	<u>\$ 3,904,664</u>	<u>\$ 4,554,033</u>	<u>\$ 7,309,233</u>	<u>\$ 2,755,200</u>

See accompanying notes to the financial statements.

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. DESCRIPTION OF THE 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.

Reporting Entity

The 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 consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the District as a whole, except for fiduciary funds.

The statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

The Statement of Net Position presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each function of 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.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements 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 nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District classifies each fund as governmental.

Governmental Funds:

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

General Fund This fund is the general operating fund. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Land Acquisition Fund This capital projects fund is used to account for and report receipts that are assigned for land acquisition.

Park Improvement Fund This capital projects fund is used to account for and report receipts that are assigned for park improvements.

Capital Improvements Fund This capital projects fund is used to account for and report receipts that are restricted for capital improvements.

William and Dorothy Yeck Nature Fund This capital projects fund is used to account for annual receipts provided by the William and Dorothy Yeck Family Foundation and to be used in accordance with the terms and conditions of an agreement that established the fund. The uses are mostly related to improvements to the Bill Yeck Park.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

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

D. Cash, Cash Equivalents and Investments

The District deposits and invests cash from all funds in a common pool. Individual fund integrity is maintained through District records. 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.

Investments are reported at cost, except for STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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, and is recognized as an external investment pool by the District. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to general fund during the fiscal year 2018 was \$135,471, including \$14,875 assigned from other funds.

E. Fund Balance

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

The classifications are as follows:

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Committed - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

F. Inventory and Prepaid Items

On the cash basis of accounting, inventories of supplies are reported as disbursements when purchased. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Accumulated Leave

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.

I. 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.

J. Net Position

The statements report restricted net position 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 2018, the statement of net position reports restricted net position for the unspent balances in the William and Dorothy Yeck Nature fund and the Capital improvements fund..

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

K. Interfund Activity

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange 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.

M. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The District does not have restricted assets.

3. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019. 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

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, 2018 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2018 property tax receipts were based are as follows:

<u>Category</u>	<u>2018 Collections</u> <u>2017 Assessed Value</u>
Real property	\$ 1,818,571,510
Public utility property	<u>35,251,390</u>
Total	<u>\$ 1,853,822,900</u>

4. DEPOSITS AND INVESTMENTS

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
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3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor or in a pool for multiple public depositors and must have a market value of at least 105% of the total value of public monies on deposit at the institution. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be 102% or lower if permitted by the Treasurer of State.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the District or, in the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. As of December 31, 2018, the carrying amount of the District's deposits was \$1,942,889. The District's bank balance of \$2,016,691 was not exposed to custodial credit risk.

The District has no deposit policy for custodial risk beyond the requirements of State statute.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
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Investments

<u>Investment type</u>	Carrying <u>Value</u>	<u>Maturity</u>
Negotiable certificate of deposit	\$ 245,000	01/28/19
Negotiable certificate of deposit	245,000	02/04/19
Negotiable certificate of deposit	250,000	07/11/19
Negotiable certificate of deposit	250,000	07/18/19
Negotiable certificate of deposit	248,000	01/21/20
Negotiable certificate of deposit	245,000	06/15/20
Negotiable certificate of deposit	245,000	10/05/20
Negotiable certificate of deposit	245,000	06/07/21
Negotiable certificate of deposit	245,000	07/06/21
Negotiable certificate of deposit	245,000	10/16/21
Negotiable certificate of deposit	245,000	12/09/22
Negotiable certificate of deposit	245,000	10/12/23
STAR Ohio	<u>3,574,156</u>	44.9 ⁽¹⁾
	<u>\$ 6,527,156</u>	

⁽¹⁾ Days (Average)

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 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, and by investing operating funds primarily in short-term investments.

Credit Risk The STAR Ohio carries a rating of AAAM by Standard and Poor's. The negotiable certificates of deposit are not rated. 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.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The certificates of deposit are fully insured by FDIC.

The District has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**CENTERVILLE-WASHINGTON PARK DISTRICT
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Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2018:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Percentage of Investments</u>
Negotiable certificates of deposit	\$ 2,953,000	45.24%
Star Ohio	<u>3,574,156</u>	54.76%
	<u>\$ 6,527,156</u>	

Investments in negotiable CD's are all individually below the 5 percent.

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 restricted, committed, or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$372,510 for the general fund.

6. INTERFUND TRANSFERS AND ADVANCES

Interfund cash transfers for the year ended December 31, 2018 were as follows:

<u>Transfer from</u>	<u>Land Acquisition</u>	<u>Transfer To Willaim and Dorothy Yeck Nature</u>	<u>Total</u>
General fund	\$ 11,477	\$ 42	\$ 11,519

The transfers represent allocation of unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

<u>Advances to</u>	<u>Advances from Park improvement</u>	<u>General</u>
General	\$ 919	\$ -
Park Improvement	-	94,097

During 2018, \$93,178 was advanced to the Park Improvement fund from the general fund for a grant project within the District. This advance is expected to be repaid in 2019.

Also, \$919 was advanced to the Park Improvement fund from the general fund then paid back during 2018.

**CENTERVILLE-WASHINGTON PARK DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
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7. RISK MANAGEMENT

Commercial Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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.

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System (OPERS)

District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2018, member and employer contribution rates were consistent across all three plans. The 2018 member contribution rate was 10.0% for members in local classifications. The 2018 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 2018, 2017, and 2016 were \$211,490, \$207,815 and \$181,673 respectively. 100% has been paid for 2018, 2017 and 2016.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits).

**CENTERVILLE-WASHINGTON PARK DISTRICT
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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years <u>after January 7, 2013</u>	20 years of service credit prior to January 7, 2013 or eligible to retire <u>ten years after January 7, 2013</u>	Members not in other Groups and members hired on or after <u>January 7, 2013</u>
State and Local	State and Local	State and Local
Age and service requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and service requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and service requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2018 Statutory maximum contribution rates	
Employer	14.00%
Employee	10.00%
2018 Actual contribution rates	
Employer:	
Pension	14.00%
Post-employment health care benefits	<u>0.00%</u>
Total employer	<u>14.00%</u>
Employee	<u>10.00%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2018, 2017 and 2016 were \$0, \$15,986 and \$30,279 respectively; 100% has been contributed for 2018, 2017 and 2016.

10. FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for major governmental funds are presented below:

<u>Fund balance</u>	<u>General</u>	<u>Land Acquisition</u>	<u>Park Improvement</u>	<u>Capital Improvements</u>	<u>William and Dorothy Yeck Nature</u>	<u>Total Governmental Funds</u>
Restricted:						
Capital improvements Bill Yeck Park improvements	\$ -	\$ -	\$ -	\$ 102,902	\$ -	\$ 102,902
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,767</u>	<u>73,767</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,902</u>	<u>73,767</u>	<u>176,669</u>
Committed:						
Projects in progress	<u>99,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,560</u>
Assigned:						
Encumbrances	272,950	-	-	-	-	272,950
Next year's budget	1,077,695	-	-	-	-	1,077,695
Land acquisition	-	597,715	-	-	-	597,715
Park improvements	-	-	13,918	-	-	13,918
Total assigned	<u>1,350,645</u>	<u>597,715</u>	<u>13,918</u>	<u>-</u>	<u>-</u>	<u>1,962,278</u>
Unassigned	<u>6,231,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,231,538</u>
Total fund balances	<u>\$ 7,681,743</u>	<u>\$ 597,715</u>	<u>\$ 13,918</u>	<u>\$ 102,902</u>	<u>\$ 73,767</u>	<u>\$ 8,470,045</u>

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

11. DEBT

The District's debt transactions for the year ended December 31, 2018, are summarized below:

	Debt Principal Outstanding <u>1/1/2018</u>	Debt Issued in <u>2018</u>	Debt Principal Retired in <u>2018</u>	Debt Principal Outstanding <u>2018</u>	Due within <u>one year</u>
Governmental Activities					
<i>General obligation bonds</i>					
2018 Park Improvement Bonds	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 188,000

During 2018, the District issued \$1,000,000 in general obligation bonds for renovations of the maintenance facility. The bonds have an interest rate of 3.15%.

General obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the District. Property tax monies will be received in and the debt will be repaid from the debt service fund.

The annual requirements to amortize the long term debt outstanding as of December 31, 2018 are below:

<u>General Obligation Bonds</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 188,000	\$ 31,762	\$ 219,762
2020	194,000	25,578	219,578
2021	200,000	19,467	219,467
2022	206,000	13,167	219,167
2023	<u>212,000</u>	<u>6,678</u>	<u>218,678</u>
	<u>\$ 1,000,000</u>	<u>\$ 96,652</u>	<u>\$ 1,096,652</u>

12. CONSTRUCTION AND CONTRACTUAL COMMITMENTS

At December 31, 2018, the District had \$1,477,786 in contractual commitments for services. Below is a list of the most significant contract amounts and vendors:

<u>Vendor</u>	<u>Project</u>	<u>Original Encumbrance</u>	<u>Carryover to 2019</u>
Williams Architects/Aquatics	Maintenance facility	\$ 54,277	\$ 54,277
Arcon Builders, LTD	Pleasant Hill Improvements	53,260	53,260
Dryden Builders, Inc	Maintenance facility	<u>1,969,150</u>	<u>1,072,052</u>
		<u>\$ 2,076,687</u>	<u>\$ 1,179,589</u>

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

Statement of Net Position - Cash Basis
December 31, 2017

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents	\$ 7,760,953
Total assets	<u>7,760,953</u>
Net Position	
Restricted for:	
William and Dorothy Yeck Trust	91,001
Unrestricted	<u>7,669,952</u>
Total net position	<u>\$ 7,760,953</u>

See accompanying notes to the financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Cash Disbursements	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Salaries and benefits	\$ 1,928,726	\$ -	\$ -	\$ -	\$ (1,928,726)
Improvements	2,731,552	-	-	394,859	(2,336,693)
Operations	555,186	-	8,277	-	(546,909)
Equipment	197,080	-	-	-	(197,080)
Professional services	122,482	-	-	-	(122,482)
Utilities and fees	277,872	-	-	-	(277,872)
Office operations	106,710	-	-	-	(106,710)
Program/recreation	85,967	141,090	-	-	55,123
Public employee retirement	223,801	-	-	-	(223,801)
Unemployment compensation	36	-	-	-	(36)
Worker's compensation	45,215	-	-	-	(45,215)
Total governmental activities	\$ 6,274,627	\$ 141,090	\$ 8,277	\$ 394,859	(5,730,401)
		General Receipts			
		Property and other taxes levied for:			
		General purposes			4,323,933
		Grants and entitlements not restricted to specific programs			621,113
		Gifts and donations			718
		Interest			76,975
		Miscellaneous			65,467
		Total general receipts			5,088,206
		Change in net position			(642,195)
		Net position beginning of year (restated)			8,403,148
		Net position end of year			\$ 7,760,953

See accompanying notes to the financial statements.

CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2017

	<u>General</u>	<u>Land Acquisition</u>	<u>Park Improvement</u>	<u>William and Dorothy Yeck Nature</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and cash equivalents	\$ 7,068,439	\$ 587,595	\$ 13,918	\$ 91,001	\$ 7,760,953
Total assets	<u>\$ 7,068,439</u>	<u>\$ 587,595</u>	<u>\$ 13,918</u>	<u>\$ 91,001</u>	<u>\$ 7,760,953</u>
Fund Balances					
Restricted	\$ -	\$ -	\$ -	\$ 91,001	\$ 91,001
Committed	471,136	19,650	-	-	490,786
Assigned	2,043,271	567,945	13,918	-	2,625,134
Unassigned	<u>4,554,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,554,032</u>
Total fund balances	<u>\$ 7,068,439</u>	<u>\$ 587,595</u>	<u>\$ 13,918</u>	<u>\$ 91,001</u>	<u>\$ 7,760,953</u>

See accompanying notes to the 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, 2017

	General	Land Acquisition	Park Improvement	William and Dorothy Yeck Nature	Total Governmental Funds
Receipts					
General property taxes	\$ 4,323,933	\$ -	\$ -	\$ -	\$ 4,323,933
Intergovernmental	621,113	-	-	-	621,113
Grants	-	178,116	166,743	-	344,859
Program income	141,090	-	-	-	141,090
Gifts and donations	8,995	-	-	50,000	58,995
Interest	76,975	-	-	-	76,975
Other	65,467	-	-	-	65,467
Total receipts	5,237,573	178,116	166,743	50,000	5,632,432
Disbursements					
Current:					
Salaries and benefits	1,928,726	-	-	-	1,928,726
Improvements	2,381,795	340,138	9,619	-	2,731,552
Operations	555,186	-	-	-	555,186
Equipment	197,080	-	-	-	197,080
Professional services	122,482	-	-	-	122,482
Utilities and fees	277,872	-	-	-	277,872
Office operations	106,710	-	-	-	106,710
Program/recreation	85,967	-	-	-	85,967
Public employee retirement	223,801	-	-	-	223,801
Unemployment compensation	36	-	-	-	36
Worker's compensation	45,215	-	-	-	45,215
Total disbursements	5,924,870	340,138	9,619	-	6,274,627
Excess of receipts over (under) disbursements	(687,297)	(162,022)	157,124	50,000	(642,195)
Other financing sources (uses)					
Transfers in	-	6,813	-	3	6,816
Transfers out	(6,816)	-	-	-	(6,816)
Advances in	166,743	-	-	-	166,743
Advances out	-	-	(166,743)	-	(166,743)
Total other financing sources (uses)	159,927	6,813	(166,743)	3	-
Net change in fund balance	(527,370)	(155,209)	(9,619)	50,003	(642,195)
Fund balances beginning of year (restated)	7,595,809	742,804	23,537	40,998	8,403,148
Fund balances end of year	<u>\$ 7,068,439</u>	<u>\$ 587,595</u>	<u>\$ 13,918</u>	<u>\$ 91,001</u>	<u>\$ 7,760,953</u>

See accompanying notes to the 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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
General property taxes	\$ 4,076,539	\$ 4,076,539	\$ 4,323,933	\$ 247,394
Intergovernmental	607,432	607,432	621,113	13,681
Program income	170,000	170,000	141,090	(28,910)
Gifts and donations	6,000	6,000	8,995	2,995
Interest	60,000	60,000	76,975	16,975
Other	-	55,000	65,467	10,467
Total receipts	4,919,971	4,974,971	5,237,573	262,602
Disbursements				
Current:				
Salaries and benefits	2,028,127	2,028,127	1,936,465	91,662
Improvements	5,574,062	5,574,062	2,887,204	2,686,858
Operations	811,496	811,496	676,809	134,687
Equipment	233,086	233,086	207,875	25,211
Professional services	214,683	214,683	147,042	67,641
Utilities and fees	338,937	338,937	296,566	42,371
Office operations	127,973	127,973	125,543	2,430
Program/recreation	96,773	96,773	89,293	7,480
Public employee retirement	237,164	237,164	223,801	13,363
Unemployment compensation	36	36	36	-
Worker's compensation	45,498	45,498	45,215	283
Total disbursements	9,707,835	9,707,835	6,635,849	3,071,986
Excess of receipts under disbursements	(4,787,864)	(4,732,864)	(1,398,276)	3,334,588
Other financing sources (uses)				
Transfers out	(4,100)	(8,100)	(6,816)	1,284
Advances in	175,050	175,050	166,743	(8,307)
Total other financing sources (uses)	170,950	166,950	159,927	(7,023)
Net change in fund balance	(4,616,914)	(4,565,914)	(1,238,349)	3,327,565
Fund balance at beginning of year	7,197,972	7,197,972	7,197,972	-
Prior year encumbrances appropriated	397,837	397,837	397,837	-
Fund balance at end of year	\$ 2,978,895	\$ 3,029,895	\$ 6,357,460	\$ 3,327,565

See accompanying notes to the financial statements.

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. DESCRIPTION OF THE 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.

Reporting Entity

The 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 consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the District as a whole, except for fiduciary funds.

The statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

**CENTERVILLE-WASHINGTON PARK DISTRICT
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The Statement of Net Position presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each function of 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.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements 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 nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District classifies each fund as governmental.

Governmental Funds:

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

General Fund This fund is the general operating fund. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Land Acquisition Fund This capital projects fund is used to account for and report receipts that are committed or assigned for land acquisition.

Park Improvement Fund This capital projects fund is used to account for and report receipts that are assigned for park improvements.

William and Dorothy Yeck Nature Fund This capital projects fund is used to account for annual receipts provided by the William and Dorothy Yeck Family Foundation and to be used in accordance with the terms and conditions of an agreement that established the fund. The uses are mostly related to improvements to the Bill Yeck Park.

**CENTERVILLE-WASHINGTON PARK DISTRICT
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C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

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

D. Cash, Cash Equivalents and Investments

The District deposits and invests cash from all funds in a common pool. Individual fund integrity is maintained through District records. 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.

Investments are reported at cost, except for STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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, and is recognized as an external investment pool by the District. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2017, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to general fund during the fiscal year 2017 was \$76,975, including \$6,159 assigned from other funds.

E. Fund Balance

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

The classifications are as follows:

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
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Committed - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

F. Inventory and Prepaid Items

On the cash basis of accounting, inventories of supplies are reported as disbursements when purchased. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Accumulated Leave

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.

I. 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.

J. Net Position

The statements report restricted net position 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 2017, the statement of net position reports restricted net position for the William and Dorothy Yeck Nature fund's unspent balance.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
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K. Inter-fund Activity

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as inter-fund transfers. Governmental funds report inter-fund 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.

M. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The District does not have restricted assets.

3. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017 on the assessed value as of January 1, 2017 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018. 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
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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. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

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, 2017 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2017 property tax receipts were based are as follows:

<u>Category</u>	<u>2017 Collections</u> <u>2016 Assessed Value</u>
Real property	\$ 1,688,621,510
Public utility property	33,394,210
Total	<u>\$ 1,722,015,720</u>

4. DEPOSITS AND INVESTMENTS

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**CENTERVILLE-WASHINGTON PARK DISTRICT
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3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor or in a pool for multiple public depositors and must have a market value of at least 105% of the total value of public monies on deposit at the institution. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be 102% or lower if permitted by the Treasurer of State.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the District or, in the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. As of December 31, 2017, the carrying amount of the District's deposits was \$649,524. The District's bank balance of \$1,050,704 was exposed to custodial credit risk as \$66,579 of the deposit was uninsured and uncollateralized by their financial institution.

The District has no deposit policy for custodial risk beyond the requirements of State statute.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
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Investments

<u>Investment type</u>	Carrying <u>Value</u>	<u>Maturity</u>
Negotiable certificate of deposit	\$ 245,007	01/16/18
Negotiable certificate of deposit	245,000	01/16/18
Negotiable certificate of deposit	245,000	06/01/18
Negotiable certificate of deposit	245,000	06/07/18
Negotiable certificate of deposit	245,000	06/29/18
Negotiable certificate of deposit	245,000	02/04/19
Negotiable certificate of deposit	245,000	06/28/19
STAR Ohio	<u>5,396,422</u>	52.1 ⁽¹⁾
	<u>\$ 7,111,429</u>	

⁽¹⁾ Days (Average)

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 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, and by investing operating funds primarily in short-term investments.

Credit Risk The STAR Ohio carries a rating of AAAM by Standard and Poor's. The negotiable certificates of deposit are not rated. 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.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The certificates of deposit are fully insured by FDIC.

The District has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**CENTERVILLE-WASHINGTON PARK DISTRICT
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Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2017:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Percentage of Investments</u>
Negotiable certificates of deposit	\$ 1,715,007	24.12%
Star Ohio	<u>5,396,422</u>	75.88%
	<u>\$ 7,111,429</u>	

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 restricted, committed, or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$710,979 for the general fund.

6. INTERFUND TRANSFERS AND ADVANCES

Interfund cash transfers for the year ended December 31, 2017 were as follows:

<u>Transfer from</u>	<u>Land Acquisition</u>	<u>Transfer To Willaim and Dorothy Yeck Nature</u>	<u>Total</u>
General fund	\$ 6,813	\$ 3	\$ 6,816

The transfers represent allocation of unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

<u>Advances to</u>	<u>Advances from Park improvement</u>
General	\$ 166,743

The \$166,743 advance to the general fund was related to a grant for a project within the District. During 2017, the Park Improvement fund paid back the general fund for a prior year advance.

7. RISK MANAGEMENT

Commercial Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**CENTERVILLE-WASHINGTON PARK DISTRICT
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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.

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System (OPERS)

District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2017, member and employer contribution rates were consistent across all three plans. The 2017 member contribution rate was 10.0% for members in local classifications. The 2017 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 2017, 2016, and 2015 were \$207,815, \$181,673 and \$180,980 respectively. 100% has been paid for 2017, 2016 and 2015.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits).

**CENTERVILLE-WASHINGTON PARK DISTRICT
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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years <u>after January 7, 2013</u>	20 years of service credit prior to January 7, 2013 or eligible to retire <u>ten years after January 7, 2013</u>	Members not in other Groups and members hired on or after <u>January 7, 2013</u>
State and Local	State and Local	State and Local
Age and service requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and service requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and service requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2017 Statutory maximum contribution rates	
Employer	14.00%
Employee	10.00%
2017 Actual contribution rates	
Employer:	
Pension	13.00%
Post-employment health care benefits	<u>1.00%</u>
Total employer	<u>14.00%</u>
Employee	<u>10.00%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
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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 postemployment healthcare trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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. Please see the Plan Statement in the OPERS CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, or writing to OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016 and 2015 were \$15,986, \$30,279 and \$30,163 respectively; 100% has been contributed for 2017, 2016 and 2015.

**CENTERVILLE-WASHINGTON PARK DISTRICT
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10. FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for major governmental funds are presented below:

<u>Fund balance</u>	<u>General</u>	<u>Land Acquisition</u>	<u>Park Improvement</u>	<u>William and Dorothy Yeck Nature</u>	<u>Total Governmental Funds</u>
Restricted:					
Bill Yeck Park improvements	\$ -	\$ -	\$ -	\$ 91,001	\$ 91,001
Committed:					
Projects in progress	471,136	19,650	-	-	490,786
Assigned:					
Encumbrances	239,843	-	-	-	239,843
Next year's budget	1,803,428	-	-	-	1,803,428
Land acquisition	-	567,945	-	-	567,945
Park improvements	-	-	13,918	-	13,918
Total assigned	<u>2,043,271</u>	<u>567,945</u>	<u>13,918</u>	<u>-</u>	<u>2,625,134</u>
Unassigned	<u>4,554,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,554,032</u>
Total fund balances	<u>\$ 7,068,439</u>	<u>\$ 587,595</u>	<u>\$ 13,918</u>	<u>\$ 91,001</u>	<u>\$ 7,760,953</u>

11. CONSTRUCTION AND CONTRACTUAL COMMITMENTS

At December 31, 2017, the District had \$730,629 in contractual commitments for services. Below is a list of the most significant contract amounts and vendors:

<u>Vendor</u>	<u>Project</u>	<u>Original Encumbrance</u>	<u>Carryover to 2018</u>
Williams Architects/Aquatics	Maintenance facility	\$ 289,899	\$ 221,733
Arcon Builders. LTD	Forest Field Master plan	829,500	186,612
Tree Care, Inc.	EAB project & tree removal	<u>220,000</u>	<u>104,000</u>
		<u>\$ 1,339,399</u>	<u>\$ 512,345</u>

12. RESTATEMENT OF NET POSITION AND FUND BALANCES

Following the close of the previous year, the William and Dorothy Yeck Nature Fund was reclassified to a governmental fund from a private purpose trust fund. The change in this fund's classification required a restatement of beginning net position and total fund balance from \$8,362,150 to \$8,403,148.

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OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Centerville-Washington Park District, Montgomery County, (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2019, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted that the District restated its January 1, 2017 balances.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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

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

Keith Faber
Auditor of State
Columbus, Ohio

December 19, 2019

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Material Weakness – Financial Statement Errors	Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



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
JANUARY 14, 2020**