



**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statement of the Centerville-Washington Park District, Montgomery County, (the District), as of and for the year ended December 31, 2003. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement based on our audit.

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

As described in Note 1, the District prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District, as of December 31, 2003, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2005 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

November 14, 2005

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
General Property Tax - Real Estate	\$2,226,151				\$2,226,151
Intergovernmental Revenue	330,948				330,948
Gifts and Donations	35,917			1,860	37,777
Program Income	67,917				67,917
Depository Interest	31,514				31,514
Other Receipts	89,241				89,241
	<u>2,781,688</u>			<u>1,860</u>	<u>2,783,548</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Salaries - Employees	1,000,351				1,000,351
Improvements	449,185				449,185
Operations	240,606				240,606
Equipment	65,879				65,879
Professional Services	39,444				39,444
Utilities & Fees	139,348				139,348
Office Operations	65,542				65,542
Program/Recreation	37,216				37,216
Capital Outlay			4,095		4,095
Public Employees Retirement	138,313				138,313
Workers' Compensation	16,509				16,509
Unemployment Compensation					
Debt:					
Payment of Principal		320,000			320,000
Payment of Interest		65,030			65,030
Other	2,728			5,200	7,928
	<u>2,195,121</u>	<u>385,030</u>	<u>4,095</u>	<u>5,200</u>	<u>2,589,446</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>586,567</u>	<u>(385,030)</u>	<u>(4,095)</u>	<u>(3,340)</u>	<u>194,102</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		385,030	82,447	244	467,721
Transfers-Out	(467,721)				(467,721)
	<u>(467,721)</u>	<u>385,030</u>	<u>82,447</u>	<u>244</u>	
Total Other Financing Receipts/(Disbursements)					
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	118,846		78,352	(3,096)	194,102
Fund Cash Balances, January 1	841,961		2,134,489	23,406	2,999,856
Fund Cash Balances, December 31	<u>\$960,807</u>	<u>\$0</u>	<u>\$2,212,841</u>	<u>\$20,310</u>	<u>\$3,193,958</u>
Reserves for Encumbrances, December 31	<u>\$158,201</u>		<u>\$3,615</u>	<u>\$375</u>	<u>\$162,191</u>

See accompanying notes to the basic financial statements.

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the 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.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

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

2. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Fund:

Land Acquisition Fund – This fund received proceeds from the General Fund. The proceeds are being used to acquire land.

4. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. The District had the following significant Fiduciary Fund:

William and Dorothy Yeck Nature Fund – This fund is classified as an expendable trust fund. This fund accounts for monies donated by The William and Dorothy Yeck Family Foundation to be used for funding various park and park improvement projects.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, object level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2003 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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 basis of accounting the District uses.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2003
Demand deposits	\$2,033,844
Investments:	
STAR Ohio	1,160,114
Total deposits and investments	\$3,193,958

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the District.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2003 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,638,986	\$2,781,688	\$142,702
Debt Service	385,030	385,030	0
Capital Projects	97,614	82,447	(15,167)
Fiduciary	2,060	2,104	44
Total	\$3,123,690	\$3,251,269	\$127,579

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,967,028	\$2,821,043	\$145,985
Debt Service	385,030	385,030	0
Capital Projects	2,232,104	7,710	2,224,394
Fiduciary	25,125	5,575	19,550
Total	\$5,609,287	\$3,219,358	\$2,389,929

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

5. DEBT

Debt outstanding at December 31, 2003:

	Principal	Interest Rate
General Obligation Bonds	\$1,070,000	4.65-4.75%

The District issued General Obligation Park Improvement Bonds on April 1, 1998, in the amount of \$2,500,000 at a variable rate for a term of eight years to improve the parks. Interest payments are due semi-annually and principal payments are due annually to The Bank of New York Trust Company, Cincinnati, Ohio, the Registrar and Paying Agent. The Bonds are collateralized by the taxing authority of the District.

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

Year ending December 31:	
2004	\$385,310
2005	394,733
2006	392,813
Total	\$1,172,856

6. RETIREMENT SYSTEM

The District's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003, members of PERS contributed 8.5% of their gross salaries. District contributed an amount equal to 13.55% of participants' gross salaries for 2003. The District has paid all contributions required through December 31, 2003.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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

8. SUBSEQUENT EVENTS

The voters of Washington Township approved a 0.9 mill, ten-year levy for capital improvements in the District on November 2, 2004. Collections will begin during 2005.

The District approved a contract with R.B. Jergens for \$555,000 on March 15, 2004 for the construction of Phase II at Oak Grove Park. The District was awarded a \$200,000 fifty percent reimbursement grant from the Federal Land and Water Conservation Fund for this project.

The District entered into a real estate purchase agreement for 37.072 acres adjacent to Bill Yeck Park on April 12, 2004. The actual purchase will take place at a later date.

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

The District approved a contract with R.B. Jergens for \$1,175,000 on May 9, 2005 for the construction of Oak Grove Park Phase III.

The District accepted a bid of \$838,400 for the construction of an Activities Center Shelter / Sprayground and Grant Nature Nook Building in November 2005.

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**Auditor of State
Betty Montgomery**

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

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

To the Board of Commissioners:

We have audited the financial statement of the Centerville-Washington Park District, Montgomery County, (the District), as of and for the year ended December 31, 2003, and have issued our report thereon dated November 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statement and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated November 14, 2005, we reported other matters related to noncompliance we deemed immaterial.

Centerville-Washington Park District
Montgomery County
Independent Accountants' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
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We intend this report solely for the information and use of the audit committee, management, the Board of Commissioners. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

November 14, 2005



**Auditor of State
Betty Montgomery**

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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
MARCH 9, 2006**