



Dave Yost • Auditor of State

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

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MONTGOMERY COUNTY**

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Dave Yost • Auditor of State

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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville-Washington Park District, Montgomery County, Ohio (the District), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville-Washington Park District, Montgomery County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Supplemental and Other Information

We applied no procedures to the Management's Discussion & Analysis presented on pages 3 through 7 and 29 through 33 of the report, and accordingly, we express no opinion or any other assurance on it

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

August 18, 2015

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)**

This discussion and analysis of the Centerville-Washington Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2014 within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2014 are as follows:

- The net position of governmental activities increased by \$186,675 or 2.5% in 2014. The increase is in anticipation of future resource requirements to meet the goals of the District's ten-year plan. Annual cash requirements vary as park improvements are scheduled throughout the levy period.
- The District's general receipts are primarily property taxes. Property tax receipts for 2014 decreased less than 1% from 2013.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Report Components

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)
(Continued)**

Reporting the District as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2014, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The District's major governmental funds are the General Fund and the Land Acquisition Fund. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in Other Governmental Funds. The Park Improvement Fund and the Debt Service Fund are classified as non-major. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net position for 2014 compared to 2013 on a cash basis:

	Net Position	
	Governmental Activities	
	2014	2013
Assets:		
Cash and Cash Equivalents	\$7,690,404	\$7,503,729
Net Position:		
Unrestricted	\$7,690,404	7,503,729
Total Net Position	\$7,690,404	\$7,503,729

Net position of governmental activities increased \$186,675 during 2014. The increase is in anticipation of future resource requirements to meet the goals of the District's ten-year plan. Annual cash requirements vary as park improvements are scheduled throughout the levy period. The entire increase is unrestricted net position.

Table 2 reflects the changes in net position in 2014 compared to 2013.

(Table 2)
Changes in Net Position

	Governmental Activities	
	2014	2013
Receipts:		
Program Receipts:		
Charges for Services	\$89,128	\$88,978
Operating Grants and Contributions	26,427	578,212
Capital Grants and Contributions	51,196	0
Total Program Receipts	166,751	667,190
General Receipts:		
General Property Tax	4,145,947	4,147,415
Intergovernmental Revenue	618,800	609,200
Gifts and Donations	908	654
Depository Interest	13,563	7,654
Other Receipts	72,738	46,703
Total General Receipts	4,851,956	4,811,626
Total Receipts	5,018,707	5,478,816
Disbursements:		
Salaries - Employees	1,682,283	1,613,175
Improvements	1,689,758	550,197
Operations	390,899	421,045
Equipment	184,000	156,709
Professional Services	39,932	34,965
Utilities & Fees	215,067	247,807
Office Operations	74,925	75,816
Program/Recreation	34,760	34,290
Capital Outlay	0	500,653

(Continued)

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)
(Continued)**

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

	Governmental Activities	
	2014	2013
Public Employees Retirement	199,547	185,719
Workers' Compensation	40,075	39,970
Unemployment Compensation	1,268	4,014
Other	15,193	7,116
Payment of Principal on Debt	255,000	245,000
Payment of Interest on Debt	9,180	17,633
Total Disbursements	<u>4,831,887</u>	<u>4,134,109</u>
Excess (Deficiency) Before Transfers	186,820	1,344,707
Transfers	(145)	(135)
Increase (Decrease) in Net Position	<u>\$186,675</u>	<u>\$1,344,572</u>

Program receipts represented 3.3 percent of total receipts in 2014. Charges for services, 1.8 percent of total receipts in 2014, were primarily comprised of fees for camps, tennis lessons, adult athletic leagues, and facility reservations. Capital grants and contributions in 2014 included donations restricted to specific uses including \$8,378 from the Yeck Family Foundation for Owlexander's Tree Treck, \$30,216 from Montgomery County Solid Waste for the wetland boardwalk at Oak Creek South Park, \$5,960 from the Centerville Wee Elks for a new scoreboard at Schoolhouse Park, \$5,775 from Centerville United Soccer Association for goals and nets and smaller donations for various projects and programs.

A ten-year 2.0 mill operating levy approved by voters in 2007 supports Park District operations along with a ten-year 0.9 mill operating levy approved by voters in 2014 for park improvements. These local taxes make up the largest portion of receipts for the Park District.

Disbursements in 2014 included major park development at Bill Yeck Park, Iron Horse Park, Oak Creek South Park, and Robert F. Mays Park.

The District's Funds

2014 total governmental funds included receipts of \$5,018,707 and disbursements of \$4,831,887. The fund balance of the General Fund increased by \$185,595 primarily due to timing of park improvement projects. The fund balance of the Land Acquisition Fund increased by \$1,080 due to interest earned in 2014.

General Fund Budgeting Highlights

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

In 2014, the District received higher than anticipated property tax revenues, intergovernmental revenue, program income, and depository interest.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)
(Continued)**

Final disbursements and transfers and advances out in 2014 were budgeted at \$7,912,556 while actual budgetary disbursements, including transfers out, totaled \$5,604,762. Savings in the improvement account included projects completed at Oak Creek South Park and Activity Center Park. Additional savings are due to the rescheduling of improvement projects at Holes Creek Park, Silver Creek Park, Little Woods Park, Robert F. Mays Park and the Holes Creek Trail. The District also experienced savings in salaries, operations, equipment, professional services, office operations, program, unemployment compensation, and utilities and fees accounts.

Capital Assets and Debt Administration

Capital Assets

The District currently tracks its capital assets. However, since these financial statements are presented on a cash basis, none of these assets are reflected on the financial statements. Instead, the acquisitions of Property, Plant, and Equipment are recorded as disbursements when paid.

Debt

At December 31, 2014, the District had no outstanding debt. The general obligation bonds were paid off in 2014.

Contacting the District's Financial Management

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

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**CENTERVILLE-WASHINGTON PACK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2014**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$7,690,404</u>
Total Assets	<u><u>7,690,404</u></u>
Net Position:	
Unrestricted	<u>7,690,404</u>
Total Net Position	<u><u>\$7,690,404</u></u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Cash Receipts			Net (Disbursements) 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:					
Current:					
Salaries - Employees	\$1,682,283				(\$1,682,283)
Improvements	1,689,758		\$24,148	\$51,196	(1,614,414)
Operations	390,899		582		(390,317)
Equipment	184,000				(184,000)
Professional Services	39,932				(39,932)
Utilities & Fees	215,067				(215,067)
Office Operations	74,925				(74,925)
Program/Recreation	34,760	\$89,128	1,697		56,065
Public Employees Retirement	199,547				(199,547)
Workers' Compensation	40,075				(40,075)
Unemployment Compensator	1,268				(1,268)
Other	15,193				(15,193)
Debt:					
Payment of Principal	255,000				(255,000)
Payment of Interest	9,180				(9,180)
Total Governmental Activities	\$4,831,887	\$89,128	\$26,427	\$51,196	(4,665,136)
General Receipts:					
Property Taxes Levied for General Purposes					4,145,947
Intergovernmental Revenue					618,800
Gifts and Donations					908
Depository Interest					13,563
Other Receipts					72,738
Total General Receipts					4,851,956
Transfer Out					(145)
Total General Receipts and Transfers					4,851,811
Change in Net Position					186,675
Net Position Beginning of Year					7,503,729
Net Position End of Year					\$7,690,404

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,717,247	\$973,002	\$155	\$7,690,404
Total Assets	<u>6,717,247</u>	<u>973,002</u>	<u>155</u>	<u>7,690,404</u>
Fund Balances:				
Committed	416,421			416,421
Assigned	1,399,570	973,002	155	2,372,727
Unassigned	4,901,256			4,901,256
Total Fund Balances	<u>\$6,717,247</u>	<u>\$973,002</u>	<u>\$155</u>	<u>\$7,690,404</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash Receipts:				
General Property Tax	\$4,145,947			\$4,145,947
Intergovernmental Revenue	618,800		\$51,196	669,996
Gifts and Donations	27,335			27,335
Program Income	89,128			89,128
Depository Interest	13,563			13,563
Other Receipts	72,738			72,738
Total Cash Receipts	<u>4,967,511</u>		<u>51,196</u>	<u>5,018,707</u>
Cash Disbursements:				
Current:				
Salaries - Employees	1,682,283			1,682,283
Improvements	1,689,758			1,689,758
Operations	390,899			390,899
Equipment	184,000			184,000
Professional Services	39,932			39,932
Utilities & Fees	215,067			215,067
Office Operations	74,925			74,925
Program/Recreation	34,760			34,760
Public Employees Retirement	199,547			199,547
Workers' Compensation	40,075			40,075
Unemployment Compensation	1,268			1,268
Other	15,193			15,193
Debt:				
Payment of Principal			255,000	255,000
Payment of Interest			9,180	9,180
Total Cash Disbursements	<u>4,567,707</u>		<u>264,180</u>	<u>4,831,887</u>
Total Receipts Over/(Under) Disbursements	<u>399,804</u>		<u>(212,984)</u>	<u>186,820</u>
Other Financing Receipts/(Disbursements):				
Advances-In	51,196			51,196
Advances-Out			(51,196)	(51,196)
Transfers-In		\$1,080	264,180	265,260
Transfers-Out	(265,405)			(265,405)
Total Other Financing Receipts/(Disbursements)	<u>(214,209)</u>	<u>1,080</u>	<u>212,984</u>	<u>(145)</u>
Net Change in Fund Balance	185,595	1,080		186,675
Fund Cash Balances, Beginning of Year	<u>6,531,652</u>	<u>971,922</u>	<u>155</u>	<u>7,503,729</u>
Fund Cash Balances, End of Year	<u>\$6,717,247</u>	<u>\$973,002</u>	<u>\$155</u>	<u>\$7,690,404</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>(Negative)</u>
Receipts:				
General Property Tax	\$3,979,868	\$3,979,868	\$4,145,947	\$166,079
Intergovernmental Revenue	581,510	581,589	618,800	37,211
Gifts and Donations	36,640	35,640	27,335	(8,305)
Program Income	83,000	83,000	89,128	6,128
Depository Interest	5,000	5,000	13,563	8,563
Other Receipts	34,000	66,904	72,738	5,834
Total Cash Receipts	<u>4,720,018</u>	<u>4,752,001</u>	<u>4,967,511</u>	<u>215,510</u>
Disbursements:				
Current:				
Salaries - Employees	1,745,158	1,773,193	1,685,669	87,524
Improvements	3,009,756	3,051,660	2,292,490	759,170
Operations	536,620	536,620	445,441	91,179
Equipment	272,793	272,793	201,228	71,565
Professional Services	81,732	81,732	53,283	28,449
Utilities & Fees	315,029	315,029	266,526	48,503
Office Operations	111,692	118,692	84,304	34,388
Program/Recreation	49,677	49,677	40,330	9,347
Public Employees Retirement	222,619	222,619	213,550	9,069
Workers' Compensation	38,000	40,075	40,075	0
Unemployment Compensation	10,000	10,000	1,268	8,732
Other	29,741	29,741	15,193	14,548
Total Cash Disbursements	<u>6,422,817</u>	<u>6,501,831</u>	<u>5,339,357</u>	<u>1,162,474</u>
Total Receipts Over/(Under) Disbursements	<u>(1,702,799)</u>	<u>(1,749,830)</u>	<u>(371,846)</u>	<u>1,377,984</u>
Other Financing Receipts/(Disbursements):				
Advances-In	635,863	635,863	51,196	584,667
Advances-Out	(584,667)	(584,667)		(584,667)
Transfers-Out	(826,058)	(826,058)	(265,405)	560,653
Total Other Financing Receipts/(Disbursements)	<u>(774,862)</u>	<u>(774,862)</u>	<u>(214,209)</u>	<u>560,653</u>
Net Change in Fund Balance	(2,477,661)	(2,524,692)	(586,055)	1,938,637
Fund Balances, Beginning of Year	5,636,067	5,636,067	5,636,067	
Prior Year Encumbrances Appropriated	<u>895,585</u>	<u>895,585</u>	<u>895,585</u>	
Fund Balances, End of Year	<u>\$4,053,991</u>	<u>\$4,006,960</u>	<u>\$5,945,597</u>	<u>\$1,938,637</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
PRIVATE PURPOSE TRUST FUND
DECEMBER 31, 2014**

	<u>William and Dorothy Yeck Nature Fund</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$26,302
Total Assets	<u>26,302</u>
Net Position:	
Held in Trust	26,302
Total Net Position	<u>\$26,302</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
PRIVATE PURPOSE TRUST FUND
OR THE YEAR ENDED DECEMBER 31, 2014**

	<u>William and Dorothy Yeck Nature Fund</u>
Additions:	
Gifts and Donations	\$45,000
Deductions:	
Payments in Accordance with Trust Agreement	<u>138,058</u>
Change in Net Position Before Transfers In	(93,058)
Transfers In	<u>145</u>
Change in Net Position After Transfers In	(92,913)
Net Position - Beginning of Year	<u>119,215</u>
Net Position - End of Year	<u><u>\$26,302</u></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, 2014**

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 to ensure 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.

1. 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 non-exchange 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, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash-basis or draws from the District's general receipts.

2. Fund Financial Statements:

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 non-major 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 either governmental or fiduciary.

1. 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 fund is used to account for and report receipts that are assigned for land acquisition.

The other governmental funds of the District account for and report other resources, whose use is restricted, committed or assigned to a particular purpose.

2. Fiduciary Funds:

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The District values investments at cost. For presentation on the financial statements, the District classifies investments of the cash management pool as cash equivalents. Purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively. During 2014, the District invested in nonnegotiable certificates of deposit, STAR Plus, and STAR Ohio. The nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014.

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during fiscal year 2014 was \$13,563, including \$1,226 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:

Non-spendable – The non-spendable 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Committed - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of 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 and prepaid items 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2014, the statement of net position reports no restricted net position.

K. Interfund Activity

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

L. Budgetary Data

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

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

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

M. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

3. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes are levied after October 1, 2014 on the assessed value as of January 1, 2014 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 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, 2013 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2014 property tax receipts were based are as follows:

<u>Category</u>	<u>2014 Collections 2013 Assessed Value</u>
Real Property	\$1,637,756,930
Public Utility Property	29,072,030
Total	<u>\$1,666,828,960</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:

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed 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;
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).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the District's deposits was \$7,656,807 and the bank balance was \$7,681,663. \$2,433,597 of the bank balance was covered by federal depository insurance and \$5,248,066 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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

B. Investments

The District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is not evidenced by securities that exist in physical or book entry form. The fair value of the investment in STAR Ohio at December 31, 2014 was \$59,899.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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."

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

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

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

5. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$771,650 for the General Fund.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

6. INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2014 were as follows:

	Transfer To				Total
	Park Improvement	Land Acquisition	Debt Service	William & Dorothy Yeck Nature	
Transfer from					
Governmental Activities:					
General		\$1,080	\$264,180	\$145	\$265,405

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.

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

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. (1) The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan. (2) The Member-Directed Plan—a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings. (3) The Combined Plan—a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

8. DEFINED BENEFIT PENSION PLAN (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rate was 10.0% for members in local classifications. The 2014 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 2014, 2013, and 2012 were \$189,215, \$187,124, and \$183,362 respectively. 95% has been paid for 2014 and 100% has been paid for 2013 and 2012.

9. POST EMPLOYMENT BENEFITS

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

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

9. POST EMPLOYMENT BENEFITS (Continued)

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and for members in the Combined Plan was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2.0% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$27,020, \$13,361, and \$52,387, respectively; 95 percent has been contributed for 2014 and 100 percent for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

10. LONG-TERM LIABILITIES

The changes in the District's long-term obligations during 2014 consist of the following:

	<u>Balance at January 1, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at December 31, 2014</u>	<u>Amounts Due in One Year</u>
General Obligation Bonds	\$255,000	\$0	\$255,000	\$0	\$0
2005 Park Improvement Bonds					

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

11. FUND BALANCES

Fund balance is classified as non-spendable, 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

11. FUND BALANCES (Continued)

<u>Fund Balances</u>	<u>General</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Committed to:				
Projects in Progress	\$416,421			\$416,421
Total Committed	416,421			416,421
Assigned to:				
Outstanding Encumbrances	355,229			355,229
Approved Budgetary Measures	1,044,341			1,044,341
Land Acquisition		\$973,002		973,002
Park Improvements			\$155	155
Total Assigned	1,399,570	973,002	155	2,372,727
Unassigned (Deficit)	4,901,256			4,901,256
Total Fund Balances	<u>\$6,717,247</u>	<u>\$973,002</u>	<u>\$155</u>	<u>\$7,690,404</u>

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Unaudited)**

This discussion and analysis of the Centerville-Washington Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2013 within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2013 are as follows:

- The net position of governmental activities increased by \$1,344,572 or 21.8% in 2013. The increase is in anticipation of future resource requirements to meet the goals of the District's ten-year plan. Annual cash requirements vary as park improvements are scheduled throughout the levy period.
- The District's general receipts are primarily property taxes. Property tax receipts for 2013 increased 1.6% from 2012. Most of this increase was due to new construction in the community.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Report Components

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Unaudited)
(Continued)**

Reporting the District as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2013, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The District's major governmental funds are the General Fund and the Land Acquisition Fund. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in Other Governmental Funds. The Park Improvement Fund and the Debt Service Fund are classified as non-major. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Unaudited)
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net position for 2013 compared to 2012 on a cash basis:

	Net Position	
	Governmental Activities	
	2013	2012
Assets:		
Cash and Cash Equivalents	\$7,503,729	\$6,159,157
Net Position:		
Unrestricted	7,503,729	6,159,157
Total Net Position	\$7,503,729	\$6,159,157

Net position of governmental activities increased \$1,344,572 during 2013. The increase is in anticipation of future resource requirements to meet the goals of the District's ten-year plan. Annual cash requirements vary as park improvements are scheduled throughout the levy period. The entire increase is unrestricted net position.

Table 2 reflects the changes in net position in 2013 compared to 2012.

(Table 2)
Changes in Net Position

	Governmental Activities	
	2013	2012
Receipts:		
Program Receipts:		
Charges for Services	\$88,978	\$89,385
Operating Grants and Contributions	578,212	38,808
Total Program Receipts	667,190	128,193
General Receipts:		
General Property Tax	4,147,415	4,083,823
Intergovernmental Revenue	609,200	601,112
Gifts and Donations	654	1,118
Depository Interest	7,654	6,942
Other Receipts	46,703	47,534
Total General Receipts	4,811,626	4,740,529
Total Receipts	5,478,816	4,868,722
Disbursements:		
Salaries - Employees	1,613,175	1,569,765
Improvements	550,197	890,628
Operations	421,045	526,041
Equipment	156,709	83,686
Professional Services	34,965	31,836
Utilities & Fees	247,807	179,200
Office Operations	75,816	69,918
Program/Recreation	34,290	33,843

(Continued)

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Unaudited)
(Continued)**

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

	Governmental Activities	
	2013	2012
Disbursements: (Continued)		
Capital Outlay	500,653	1,000
Public Employees Retirement	185,719	165,217
Workers' Compensation	39,970	43,645
Unemployment Compensation	4,014	3,442
Other	7,116	2,389
Payment of Principal on Debt	245,000	240,000
Payment of Interest on Debt	17,633	25,553
Total Disbursements	<u>4,134,109</u>	<u>3,866,163</u>
Excess (Deficiency) Before Transfers	1,344,707	1,002,559
Transfers	(135)	(102)
Increase (Decrease) in Net Position	<u><u>\$1,344,572</u></u>	<u><u>\$1,002,457</u></u>

Program receipts represented 12.2 percent of total receipts in 2013. Charges for services, 1.6 percent of total receipts in 2013, were primarily comprised of fees for camps, tennis lessons, adult athletic leagues, and facility reservations. Operating grants and contributions in 2013 included donations restricted to specific uses including \$400,000 from Robert F. Mays for development of Robert F. Mays Park, \$43,000 from the Yeck Family Foundation for the development of Little Woods Park, \$20,000 from Montgomery County Solid Waste for replacing the safety surface for the all-access playground at Activity Center Park, \$3,000 from the Centerville Baseball League for batting cages at Oak Grove Park, and smaller donations for various projects and programs.

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

Disbursements in 2013 included major park development at Bill Yeck Park, Iron Horse Park, Oak Creek South Park, Robert F. Mays Park, and Schoolhouse Park.

The District's Funds

2013 total governmental funds included receipts of \$5,478,816 and disbursements of \$4,134,109. The fund balance of the General Fund increased by \$1,844,410 primarily due to timing of park improvement projects. The fund balance of the Land Acquisition Fund decreased by \$499,993 due to the purchase of 23.2 acres for Robert F. Mays Park.

General Fund Budgeting Highlights

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

In 2013, the District received higher than anticipated property tax revenues, intergovernmental revenue, gifts and donations, program income, and depository interest.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Unaudited)
(Continued)**

Final disbursements and transfers and advances out in 2013 were budgeted at \$6,571,943 while actual budgetary disbursements, including transfers and advances out, totaled \$4,529,992. Savings in the improvement account included projects completed at Schoolhouse Park and Bill Yeck Park. Additional savings are due to the rescheduling of improvement projects at Bill Yeck Park, Iron Horse Park, and Richard F. Mays Park. The District also experienced savings in salaries, operations, equipment, professional services, office operations, program, employees retirement, workers' compensation, unemployment compensation, and utilities and fees accounts.

Capital Assets and Debt Administration

Capital Assets

The District currently tracks its capital assets. However, since these financial statements are presented on a cash basis, none of these assets are reflected on the financial statements. Instead, the acquisitions of Property, Plant, and Equipment are recorded as disbursements when paid.

Debt

At December 31, 2013, the District's outstanding debt included \$255,000 in general obligation bonds issued for park improvements. For further information regarding the District's debt, refer to Note 10 to the basic financial statements.

Contacting the District's Financial Management

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

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2013**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$7,503,729
Total Assets	<u>7,503,729</u>
Net Position:	
Unrestricted	7,503,729
Total Net Position	<u>\$7,503,729</u>

See accompanying notes to the basic financial statements

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Current:				
Salaries - Employees	\$1,613,175			(\$1,613,175)
Improvements	550,197		\$549,827	(370)
Operations	421,045		25,572	(395,473)
Equipment	156,709			(156,709)
Professional Services	34,965			(34,965)
Utilities & Fees	247,807		465	(247,342)
Office Operations	75,816			(75,816)
Program/Recreation	34,290	\$88,978	2,348	57,036
Capital Outlay	500,653			(500,653)
Public Employees Retirement	185,719			(185,719)
Workers' Compensation	39,970			(39,970)
Unemployment Compensation	4,014			(4,014)
Other	7,116			(7,116)
Debt:				
Payment of Principal	245,000			(245,000)
Payment of Interest	17,633			(17,633)
Total Governmental Activities	\$4,134,109	\$88,978	\$578,212	(3,466,919)
 General Receipts:				
Property Taxes Levied for General Purposes				4,147,415
Intergovernmental Revenue				609,200
Gifts and Donations				654
Depository Interest				7,654
Other Receipts				46,703
Total General Receipts				4,811,626
 Transfer Out				 (135)
 Total General Receipts and Transfers				 4,811,491
 Change in Net Position				 1,344,572
 Net Position Beginning of Year				 6,159,157
 Net Position End of Year				 \$7,503,729

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General Fund</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in Pooled Cash and Cash Equivalent	\$6,531,652	\$971,922	\$155	\$7,503,729
Total Assets	<u>6,531,652</u>	<u>971,922</u>	<u>155</u>	<u>7,503,729</u>
Fund Balances:				
Committed	721,284			721,284
Assigned	1,793,368	971,922	155	2,765,445
Unassigned	4,017,000			4,017,000
Total Fund Balances	<u>\$6,531,652</u>	<u>\$971,922</u>	<u>\$155</u>	<u>\$7,503,729</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Fund	Land Acquisition Fund	Other Governmental Funds	Total Governmental Funds
Cash Receipts:				
General Property Tax	\$4,147,415			\$4,147,415
Intergovernmental Revenue	609,200			609,200
Gifts and Donations	578,866			578,866
Program Income	88,978			88,978
Depository Interest	7,654			7,654
Other Receipts	46,703			46,703
Total Cash Receipts	<u>5,478,816</u>			<u>5,478,816</u>
Cash Disbursements:				
Current:				
Salaries - Employees	1,613,175			1,613,175
Improvements	468,926		\$81,271	550,197
Operations	421,045			421,045
Equipment	156,709			156,709
Professional Services	34,965			34,965
Utilities & Fees	247,807			247,807
Office Operations	75,816			75,816
Program/Recreation	34,290			34,290
Capital Outlay		\$500,653		500,653
Public Employees Retirement	185,719			185,719
Workers' Compensation	39,970			39,970
Unemployment Compensation	4,014			4,014
Other	7,116			7,116
Debt:				
Payment of Principal			245,000	245,000
Payment of Interest			17,633	17,633
Total Cash Disbursements	<u>3,289,552</u>	<u>500,653</u>	<u>343,904</u>	<u>4,134,109</u>
Total Receipts Over/(Under) Disbursements	<u>2,189,264</u>	<u>(500,653)</u>	<u>(343,904)</u>	<u>1,344,707</u>
Other Financing Receipts/(Disbursements):				
Advances-In			51,196	51,196
Advances-Out	(51,196)			(51,196)
Transfers-In		660	292,863	293,523
Transfers-Out	(293,658)			(293,658)
Total Other Financing Receipts/(Disbursements)	<u>(344,854)</u>	<u>660</u>	<u>344,059</u>	<u>(135)</u>
Net Change in Fund Balance	1,844,410	(499,993)	155	1,344,572
Fund Cash Balances, Beginning of Year	<u>4,687,242</u>	<u>1,471,915</u>		<u>6,159,157</u>
Fund Cash Balances, End of Year	<u>\$6,531,652</u>	<u>\$971,922</u>	<u>\$155</u>	<u>\$7,503,729</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget
		<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Receipts:				
General Property Tax	\$3,950,303	\$3,940,443	\$4,147,415	\$206,972
Intergovernmental Revenue	576,782	576,698	609,200	32,502
Gifts and Donations	509,300	510,300	578,866	68,566
Program Income	80,000	80,000	88,978	8,978
Depository Interest	4,000	4,000	7,654	3,654
Other Receipts	34,000	34,000	46,703	12,703
Total Cash Receipts	<u>5,154,385</u>	<u>5,145,441</u>	<u>5,478,816</u>	<u>333,375</u>
Disbursements:				
Current:				
Salaries - Employees	1,728,458	1,728,458	1,614,709	113,749
Improvements	2,456,790	2,841,790	1,259,394	1,582,396
Operations	580,333	581,333	465,024	116,309
Equipment	191,940	191,940	158,681	33,259
Professional Services	66,802	66,802	48,197	18,605
Utilities & Fees	345,914	345,914	259,988	85,926
Office Operations	114,785	114,785	87,508	27,277
Program/Recreation	53,104	53,104	35,267	17,837
Public Employees Retirement	214,620	214,620	205,269	9,351
Workers' Compensation	45,000	45,000	39,970	5,030
Unemployment Compensation	10,675	10,675	4,014	6,661
Other	14,839	14,839	7,117	7,722
Total Cash Disbursements	<u>5,823,260</u>	<u>6,209,260</u>	<u>4,185,138</u>	<u>2,024,122</u>
Total Receipts Over/(Under) Disbursements	<u>(668,875)</u>	<u>(1,063,819)</u>	<u>1,293,678</u>	<u>2,357,497</u>
Other Financing Receipts/(Disbursements):				
Advances-In	51,196	51,196		(51,196)
Advances-Out	(51,196)	(51,196)	(51,196)	
Transfers-Out	(311,487)	(311,487)	(293,658)	17,829
Total Other Financing Receipts/(Disbursements)	<u>(311,487)</u>	<u>(311,487)</u>	<u>(344,854)</u>	<u>(33,367)</u>
Net Change in Fund Balance	(980,362)	(1,375,306)	948,824	2,324,130
Fund Balances, Beginning of Year	4,510,859	4,510,859	4,510,859	
Prior Year Encumbrances Appropriated	<u>176,384</u>	<u>176,384</u>	<u>176,384</u>	
Fund Balances, End of Year	<u>\$3,706,881</u>	<u>\$3,311,937</u>	<u>\$5,636,067</u>	<u>\$2,324,130</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
PRIVATE PURPOSE TRUST FUND
DECEMBER 31, 2013**

	William and Dorothy Yeck Nature Fund
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$119,215
Total Assets	<u>119,215</u>
Net Position:	
Held in Trust	119,215
Total Net Position	<u>\$119,215</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>William and Dorothy Yeck Nature Fund</u>
Additions:	
Gifts and Donations	\$45,000
Deductions:	
Payments in Accordance with Trust Agreement	
Change in Net Position Before Transfers In	<u>45,000</u>
Transfers In	<u>135</u>
Change in Net Position After Transfers In	45,135
Net Position - Beginning of Year	<u>74,080</u>
Net Position - End of Year	<u><u>\$119,215</u></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, 2013**

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 to ensure 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.

1. 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 non-exchange 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, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash-basis or draws from the District's general receipts.

2. Fund Financial Statements:

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 non-major 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 either governmental or fiduciary.

1. 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 fund is used to account for and report receipts that are assigned for land acquisition.

The other governmental funds of the District account for and report other resources, whose use is restricted, committed or assigned to a particular purpose.

2. Fiduciary Funds:

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The District values investments at cost. For presentation on the financial statements, the District classifies investments of the cash management pool as cash equivalents. Purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively. During 2013, the District invested in nonnegotiable certificates of deposit and STAR Ohio. The nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2013.

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during fiscal year 2013 was \$7,654, including \$795 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:

Non-spendable – The non-spendable 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Committed - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of 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 and prepaid items 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2013, the statement of net position reports no restricted net position.

K. Interfund Activity

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

L. Budgetary Data

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

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

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

M. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or 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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

3. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes are levied after October 1, 2013 on the assessed value as of January 1, 2013 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 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, 2013 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2013 property tax receipts were based are as follows:

<u>Category</u>	<u>2013 Collections 2012 Assessed Value</u>
Real Property	\$1,623,097,730
Public Utility Property	26,568,000
Total	<u>\$1,649,665,730</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.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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 guaranteed 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;
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).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the District's deposits was \$6,850,156 and the bank balance was \$6,888,239. \$985,000 of the bank balance was covered by federal depository insurance and \$5,903,239 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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

B. Investments

The District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is not evidenced by securities that exist in physical or book entry form. The fair value of the investment in STAR Ohio at December 31, 2013 was \$772,788.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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."

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

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

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

5. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$895,586 for the General Fund.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

6. INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2013 were as follows:

	Transfer To				Total
	Park Improvement	Land Acquisition	Debt Service	William & Dorothy Yeck Nature	
Transfer from					
Governmental Activities:					
General	\$30,230	\$660	\$262,633	\$135	\$293,658

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.

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

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. (1) The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan. (2) The Member-Directed Plan—a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings. (3) The Combined Plan—a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

8. DEFINED BENEFIT PENSION PLAN (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll. For 2013, member and employer contribution rates were consistent across all three plans. The 2013 member contribution rate was 10.0% for members in local classifications. The 2013 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 2013, 2012, and 2011 were \$187,124, \$183,362 and \$177,150 respectively. 90% has been paid for 2013 and 100% has been paid for 2012 and 2011.

9. POST EMPLOYMENT BENEFITS

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

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

9. POST EMPLOYMENT BENEFITS (Continued)

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and for members in the Combined Plan was 1.0% for calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$13,361, \$52,387, and \$51,186, respectively; 90 percent has been contributed for 2013 and 100 percent for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

10. LONG-TERM LIABILITIES

The changes in the District's long-term obligations during 2013 consist of the following:

	<u>Balance at January 1, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at December 31, 2013</u>	<u>Amounts Due in One Year</u>
General Obligation Bonds					
2005 Park Improvement Bonds	\$500,000	\$0	\$245,000	\$255,000	\$255,000

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

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

<u>Year ending December 31:</u>	
2014	<u>\$264,180</u>
Total	<u><u>\$264,180</u></u>

11. INTERFUND RECEIVABLES / PAYABLES

Interfund balances at December 31, 2013, consisted of \$51,196 owed by the Park Improvement Capital Projects Fund to the General Fund. The balance due to the General Fund represents loans made to provide working capital for projects. This amount is expected to be repaid within one year.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

12. FUND BALANCES

Fund balance is classified as non-spendable, 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Committed to:				
Projects in Progress	\$721,284			\$721,284
Total Committed	<u>721,284</u>			<u>721,284</u>
Assigned to:				
Outstanding Encumbrances	174,301			174,301
Approved Budgetary Measures	1,619,067			1,619,067
Land Acquisition		\$971,922		971,922
Park Improvements			\$155	155
Total Assigned	<u>1,793,368</u>	<u>971,922</u>	<u>155</u>	<u>2,765,445</u>
Unassigned (Deficit)	<u>4,017,000</u>			<u>4,017,000</u>
Total Fund Balances	<u>\$6,531,652</u>	<u>\$971,922</u>	<u>\$155</u>	<u>\$7,503,729</u>



Dave Yost • Auditor of State

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

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 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, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 18, 2015, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

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*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

August 18, 2015

**CENTERVILLE WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

MATERIAL WEAKNESS

The Park District presented its 2014 and 2013 financial statements on Other Comprehensive Basis of Accounting (OCBOA). The following errors noted in the Park District's financial statements were determined to be qualitatively or quantitatively material and required audit adjustments to properly present the Park District's financial activity:

2014

1. The Park District received a \$51,196 grant which was improperly recorded as Other Revenue rather than Intergovernmental Revenue in Other Governmental Funds on the Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds. The receipt was also improperly recorded as an Advance rather than Capital Grants and Contributions on the Statement of Activities - Cash Basis - Governmental Funds.
2. The Park District overstated Unassigned balance and understated Assigned balance in the General Fund, Land Acquisition Fund, and RFI by \$1,044,341, \$973,002, and \$155, respectively on the Statement of Cash Basis Assets and Fund Balance - Governmental Funds.
3. The Park District understated Original and Final Budgeted Cash Disbursements in the General fund by \$895,585 on the Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund.
4. The Park District overstated Actual Receipts: Gifts and Donations and understated Actual Receipts: Other Receipts in the General fund by \$30,216 on the Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund.

2013

1. The Park District overstated Unassigned balance and understated Assigned balance in the General fund by \$1,619,067 on the Statement of Cash Basis Assets and Fund Balance - Governmental Funds.

The following errors noted in the Park District's financial statements were determined to be immaterial and did not require adjustments to properly present the Park District's financial activity:

1. The Park District overstated Original Budgeted Receipts in the General fund by \$9,860 in 2013 on the Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund.
2. During 2014, the Park District understated Final Budgeted Receipts in the General fund by \$10,000 on the Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund.

Policies and procedures should be established and implemented to verify that financial statements are accurately presented. Failure to do so could result in material misstatements going unnoticed.

Official's Response:

I would like to note that none of our current staff have taken part in a previous State of Ohio audit. As such, this was definitely a learning experience.

**FINDING NUMBER 2014-001
(Continued)**

Numbers 2 and 4 on your material weakness stemmed from errors in account numbers and or fund balance classification. These items are easily remedied and will be correctly reported for the year end 2015.

Number 1 was due to unfamiliarity with the process in which a grant should be reported. With the auditor's help, this item will also be corrected on next year's report.

Number 3 occurred because of prior year encumbrances were not included. Again, this was due to unfamiliarity with the process and will be corrected on next year's report.



Dave Yost • Auditor of State

CENTERVILLE-WASHINGTON PARK DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 29, 2015**