



Dave Yost • Auditor of State



**CENTERVILLE WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY  
DECEMBER 31, 2016 AND 2015**

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**CENTERVILLE WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY  
DECEMBER 31, 2016 AND 2015**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Centerville-Washington Park District  
Montgomery County  
221 N. Main Street  
Centerville, Ohio 45459-4617

To the Board of Park Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville-Washington Park District, Montgomery County, Ohio (the District), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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.

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**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, 2016 and 2015, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 29, 2017

Centerville-Washington Park District  
Montgomery County

Statement of Net Position - Cash Basis  
December 31, 2016

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| Assets:                                    |                                    |
| Equity in Pooled Cash and Cash Equivalents | <u>\$8,362,150</u>                 |
| Total Assets                               | <u><u>8,362,150</u></u>            |
| Net Position:                              |                                    |
| Unrestricted                               | <u>8,362,150</u>                   |
| Total Net Position                         | <u><u>\$8,362,150</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, 2016

|                                      | Program Cash Receipts |   |  | Net (Disbursements)<br>Receipts and Changes<br>in Net Position |                            |
|--------------------------------------|-----------------------|---|--|--|----------------------------|
|                                      | Cash<br>Disbursements | Charges<br>for Services<br>and Sales        | Operating<br>Grants and<br>Contributions | Capital Grants<br>and Contributions                            | Governmental<br>Activities |
| Governmental Activities              |                       |   |  |  |                            |
| Current:                             |                       |   |  |  |                            |
| Salaries - Employees                 | \$1,823,249           |   |  |  | (\$1,823,249)              |
| Improvements                         | 3,078,197             |   | \$9,115                                  | \$1,504,095  | (1,564,987)                |
| Operations                           | 548,086               |   | 3,995                                    |  | (544,091)                  |
| Equipment                            | 347,461               |   |  |  | (347,461)                  |
| Professional Services                | 62,042                |   |  |  | (62,042)                   |
| Utilities & Fees                     | 305,133               |   |  |  | (305,133)                  |
| Office Operations                    | 130,771               |   |  |  | (130,771)                  |
| Program/Recreation                   | 75,840                | \$128,949                                   | 1,125                                    |  | 54,234                     |
| Public Employees Retirement          | 211,952               |   |  |  | (211,952)                  |
| Workers' Compensation                | 25,686                |   |  |  | (25,686)                   |
| <b>Total Governmental Activities</b> | <u>6,608,417</u>      | <u>128,949</u>                              | <u>14,235</u>                            | <u>1,504,095</u>   | <u>(4,961,138)</u>         |
|                                      |                       | General Receipts                            |  |  |                            |
|                                      |                       | Property Taxes Levied for General Purposes  |  |  | 4,269,434                  |
|                                      |                       | Intergovernmental Revenue                   |  |  | 621,969                    |
|                                      |                       | Gifts and Donations                         |  |  | 673                        |
|                                      |                       | Depository Interest                         |  |  | 18,215                     |
|                                      |                       | Other Receipts                              |  |  | 30,044                     |
|                                      |                       | <b>Total General Receipts</b>               |  |  | <u>4,940,335</u>           |
|                                      |                       | Transfer Out                                |  |  | <u>(12)</u>                |
|                                      |                       | <b>Total General Receipts and Transfers</b> |  |  | <u>4,940,323</u>           |
|                                      |                       | Change in Net Position                      |  |  | (20,815)                   |
|                                      |                       | Net Position Beginning of Year              |  |  | <u>8,382,965</u>           |
|                                      |                       | Net Position End of Year                    |  |  | <u>\$8,362,150</u>         |

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, 2016

|  | General<br>Fund    | Land<br>Acquisition<br>Fund | Park<br>Improvement<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------|-----------------------------|------------------------------|--------------------------------|
| Assets:                                    |                    |                             |                              |                                |
| Equity in Pooled Cash and Cash Equivalents | \$7,595,809        | \$742,804                   | \$23,537                     | \$8,362,150                    |
| Total Assets                               | <u>7,595,809</u>   | <u>742,804</u>              | <u>23,537</u>                | <u>8,362,150</u>               |
| Fund Balances:                             |                    |                             |                              |                                |
| Committed                                  | 116,307            |                             | 12,823                       | 129,130                        |
| Assigned                                   | 4,219,436          | 742,804                     | 10,714                       | 4,972,954                      |
| Unassigned                                 | <u>3,260,066</u>   |                             |                              | <u>3,260,066</u>               |
| Total Fund Balances                        | <u>\$7,595,809</u> | <u>\$742,804</u>            | <u>\$23,537</u>              | <u>\$8,362,150</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, 2016

|   | General<br>Fund    | Land<br>Acquisition<br>Fund | Park<br>Improvement<br>Fund | Total<br>Governmental<br>Funds |
|---|--------------------|-----------------------------|-----------------------------|--------------------------------|
| <b>Cash Receipts:</b>                                 |                    |                             |                             |                                |
| General Property Tax                                  | \$4,269,434        |                             |                             | \$4,269,434                    |
| Intergovernmental Revenue                             | 621,969            |                             |                             | 621,969                        |
| Grants  |                    | \$703,817                   | \$800,278                   | 1,504,095                      |
| Gifts and Donations                                   | 14,908             |                             |                             | 14,908                         |
| Program Income  | 128,949            |                             |                             | 128,949                        |
| Depository Interest                                   | 18,215             |                             |                             | 18,215                         |
| Other Receipts  | 30,044             |                             |                             | 30,044                         |
| <b>Total Cash Receipts</b>                            | <b>5,083,519</b>   | <b>703,817</b>              | <b>800,278</b>              | <b>6,587,614</b>               |
| <b>Cash Disbursements:</b>                            |                    |                             |                             |                                |
| <b>Current:</b>                                       |                    |                             |                             |                                |
| Salaries - Employees                                  | 1,823,249          |                             |                             | 1,823,249                      |
| Improvements  | 948,243            | 938,928                     | 1,191,026                   | 3,078,197                      |
| Operations  | 548,086            |                             |                             | 548,086                        |
| Equipment   | 347,461            |                             |                             | 347,461                        |
| Professional Services                                 | 62,042             |                             |                             | 62,042                         |
| Utilities & Fees                                      | 305,133            |                             |                             | 305,133                        |
| Office Operations                                     | 130,771            |                             |                             | 130,771                        |
| Program/Recreation                                    | 75,840             |                             |                             | 75,840                         |
| Public Employees Retirement                           | 211,952            |                             |                             | 211,952                        |
| Workers' Compensation                                 | 25,686             |                             |                             | 25,686                         |
| <b>Total Cash Disbursements</b>                       | <b>4,478,463</b>   | <b>938,928</b>              | <b>1,191,026</b>            | <b>6,608,417</b>               |
| <b>Total Receipts Over/(Under) Disbursements</b>      | <b>605,056</b>     | <b>(235,111)</b>            | <b>(390,748)</b>            | <b>(20,803)</b>                |
| <b>Other Financing Receipts/(Disbursements):</b>      |                    |                             |                             |                                |
| Advances-In   | 776,521            |                             | 366,904                     | 1,143,425                      |
| Advances-Out  | (366,904)          |                             | (776,521)                   | (1,143,425)                    |
| Transfers-In  |                    | 3,086                       | 154,854                     | 157,940                        |
| Transfers-Out   | (157,952)          |                             |                             | (157,952)                      |
| <b>Total Other Financing Receipts/(Disbursements)</b> | <b>251,665</b>     | <b>3,086</b>                | <b>(254,763)</b>            | <b>(12)</b>                    |
| <b>Net Change in Fund Balance</b>                     | <b>856,721</b>     | <b>(232,025)</b>            | <b>(645,511)</b>            | <b>(20,815)</b>                |
| <b>Fund Cash Balances, Beginning of Year</b>          | <b>6,739,088</b>   | <b>974,829</b>              | <b>669,048</b>              | <b>8,382,964</b>               |
| <b>Fund Cash Balances, End of Year</b>                | <b>\$7,595,809</b> | <b>\$742,804</b>            | <b>\$23,537</b>             | <b>\$8,362,150</b>             |

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, 2016

|   | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget |
|---|--------------------|--------------------|--------------------|-------------------------------|
|   | Original           | Final              |                    | (Negative)                    |
| <b>Receipts:</b>                                      |                    |                    |                    |                               |
| General Property Tax                                  | \$4,004,859        | \$3,518,860        | \$4,269,434        | \$750,574                     |
| Intergovernmental Revenue                             | 581,736            | 511,437            | 621,969            | 110,532                       |
| Gifts and Donations                                   | 6,000              | 5,272              | 14,908             | 9,636                         |
| Program Income  | 120,000            | 149,370            | 128,949            | (20,421)                      |
| Depository Interest                                   | 16,000             | 19,330             | 18,215             | (1,115)                       |
| Other Receipts  | 15,000             | 28,995             | 30,044             | 1,049                         |
| <b>Total Cash Receipts</b>                            | <b>4,743,595</b>   | <b>4,233,264</b>   | <b>5,083,519</b>   | <b>850,255</b>                |
| <b>Disbursements:</b>                                 |                    |                    |                    |                               |
| <b>Current:</b>                                       |                    |                    |                    |                               |
| Salaries - Employees                                  | 1,922,859          | 1,922,859          | 1,815,704          | 107,155                       |
| Improvements  | 1,937,834          | 1,937,834          | 1,102,301          | 835,533                       |
| Operations  | 802,889            | 802,889            | 728,232            | 74,657                        |
| Equipment   | 429,364            | 429,364            | 379,598            | 49,766                        |
| Professional Services                                 | 102,115            | 111,115            | 74,025             | 37,090                        |
| Utilities & Fees                                      | 325,173            | 338,173            | 312,814            | 25,359                        |
| Office Operations                                     | 139,982            | 149,982            | 136,145            | 13,837                        |
| Program/Recreation                                    | 74,097             | 80,097             | 77,933             | 2,164                         |
| Public Employees Retirement                           | 226,468            | 226,468            | 211,952            | 14,516                        |
| Workers' Compensation                                 | 28,565             | 28,565             | 25,686             | 2,879                         |
| Unemployment Compensation                             | 5,000              | 5,000              |                    | 5,000                         |
| Other   | 8,717              | 8,717              | 8,059              | 658                           |
| Matching Funds  | 20,000             | 20,000             | 3,850              | 16,150                        |
| Bill Yeck Matching Funds                              | 50,000             | 50,000             |                    | 50,000                        |
| <b>Total Cash Disbursements</b>                       | <b>6,073,063</b>   | <b>6,111,063</b>   | <b>4,876,299</b>   | <b>1,234,764</b>              |
| <b>Total Receipts Over/(Under) Disbursements</b>      | <b>(1,329,468)</b> | <b>(1,877,799)</b> | <b>207,220</b>     | <b>2,085,019</b>              |
| <b>Other Financing Receipts/(Disbursements):</b>      |                    |                    |                    |                               |
| Advances-In   | 951,571            | 951,571            | 776,521            | (175,050)                     |
| Advances-Out  | (366,904)          | (366,904)          | (366,904)          | 0                             |
| Transfers-Out   | (492,763)          | (184,763)          | (157,952)          | 26,811                        |
| <b>Total Other Financing Receipts/(Disbursements)</b> | <b>91,904</b>      | <b>399,904</b>     | <b>251,665</b>     | <b>(148,239)</b>              |
| <b>Net Change in Fund Balance</b>                     | <b>(1,237,564)</b> | <b>(1,477,895)</b> | <b>458,885</b>     | <b>1,936,780</b>              |
| <b>Fund Balances, Beginning of Year</b>               | <b>6,126,595</b>   | <b>6,126,595</b>   | <b>6,126,595</b>   |                               |
| <b>Prior Year Encumbrances Appropriated</b>           | <b>612,492</b>     | <b>612,492</b>     | <b>612,492</b>     |                               |
| <b>Fund Balances, End of Year</b>                     | <b>\$5,501,523</b> | <b>\$5,261,192</b> | <b>\$7,197,972</b> | <b>\$1,936,780</b>            |

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, 2016

|  | <u>William and Dorothy Yeck<br/>Nature Fund</u> |
|--|---|
| Assets                                     |   |
| Equity in Pooled Cash and Cash Equivalents | <u>\$40,998</u>                                 |
| Total Assets                               | <u><u>40,998</u></u>                            |
| Net Position:                              |   |
| Held in Trust                              | <u>40,998</u>                                   |
| Total Net Position                         | <u><u>\$40,998</u></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  
December 31, 2016

|   | <u>William and Dorothy Yeck<br/>Nature Fund</u> |
|---|---|
| Additions:                                  |   |
| Gifts and Donations                         | \$33,660  |
| Deductions:                                 |   |
| Payments in Accordance with Trust Agreement | <u>33,888</u>                                   |
| Change in Net Position Before Transfers In  | (228)   |
| Transfers In                                | <u>12</u>                                       |
| Change in Net Position After Transfers In   | (216)   |
| Net Position - Beginning of Year            | <u>41,214</u>                                   |
| Net Position - End of Year                  | <u><u>\$40,998</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, 2016**

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

The Centerville-Washington Park District, Montgomery County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the Montgomery County Court of Common Pleas. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of the same as the Board deems conducive to the general welfare.

**Reporting Entity**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**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, 2016**

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

**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.

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



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

**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.

**C. Basis of Accounting**

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

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

**D. Cash, Cash Equivalents and Investments**

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

Investments are reported at cost, except for STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District also implemented GASB Statement No. 79 for 2016. The implementation of this GASB pronouncement had no effect on beginning net position/fund balance. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during the fiscal year 2016 was \$18,215, including \$3,098 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.

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

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

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

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

**F. Inventory and Prepaid Items**

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

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

**G. Capital Assets**

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

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

**I. Long-term Obligations**

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

**J. Net Position**

The statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use. The District first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

For 2016, the statement of net position reports no restricted net position.

**K. Inter-fund 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 inter-fund transfers. Governmental funds report inter-fund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**L. Budgetary Data**

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

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

**M. Restricted Assets**

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

**3. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016 on the assessed value as of January 1, 2016 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 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, 2016 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2016 property tax receipts were based are as follows:

| <u>Category</u>         | <u>2016 Collections<br/>2015 Assessed Value</u> |
|-------------------------|---|
| Real Property           | 1,666,256,110                                   |
| Public Utility Property | 31,054,260                                      |
| Total                   | <u>1,697,310,370</u>                            |

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**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 five years from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreement, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

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

**Deposits**

Custodial credit risk for deposits 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, \$3,044,047 of the District's bank balance of \$3,311,701 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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.

**Investments**

As of December 31, 2016, the District had the following investments:

|                                    | Measurement<br>Value |
|------------------------------------|----------------------|
| Negotiable Certificate of Deposits | \$1,960,007          |
| STAR Ohio                          | 3,260,614            |
| Total Portfolio                    | \$5,220,621          |

|                                    | Measurement<br>Amount | Investment Maturities (in Years) |             |     |                |
|------------------------------------|-----------------------|----------------------------------|-------------|-----|----------------|
|                                    |                       | Less<br>than 1                   | 1-2         | 3-5 | More<br>than 5 |
| Negotiable Certificate of Deposits | \$1,960,007           | \$735,000                        | \$1,225,000 |     |                |
| STAR Ohio                          | 3,260,614             | 59,963                           |             |     |                |
| Total Investments                  | \$5,220,621           | \$794,963                        | \$1,225,000 | \$0 | \$0            |

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

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

**Credit Risk** The STAR Ohio carries a rating of AAAM by Standard and Poor's. The negotiable certificates of deposit are not rated. The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

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

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

**Concentration of Credit Risk** The District places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2016:

| Investment Issuer                  | Percentage of<br>Investments |
|------------------------------------|------------------------------|
| Negotiable Certificate of Deposits | 38%                          |
| STAR Ohio                          | 62%                          |

**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 \$397,836 for the General fund.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**6. INTERFUND TRANSFERS AND ADVANCES**

Interfund cash transfers for the year ended December 31, 2016 were as follows:

|                             | Transfer To         |                     |                 |  |           |
|-----------------------------|---------------------|---------------------|-----------------|--|-----------|
| Transfer from               | Park<br>Improvement | Land<br>Acquisition | Debt<br>Service | William &<br>Dorothy<br>Yeck<br>Nature | Total     |
| Governmental<br>Activities: |                     |                     |                 |  |           |
| General                     | \$154,854           | \$3,086             |                 | \$12                                   | \$157,952 |

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 (OPERS)**

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



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2016, member and employer contribution rates were consistent across all three plans. The 2016 member contribution rate was 10.0% for members in local classifications. The 2016 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 2016, 2015, and 2014 were \$211,952, \$201,924 and \$189,215 respectively. 100% has been paid for 2016, 2015 and 2014.

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

| <b>Group A</b>  | <b>Group B</b>  | <b>Group C</b>  |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013   | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013                       | Members not in other Groups and members hired on or after January 7, 2013   |
| <b>State and Local</b>  | <b>State and Local</b>  | <b>State and Local</b>  |
| <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit       | <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit       | <b>Age and Service Requirements:</b><br>Age 57 with 25 years of service credit or Age 62 with 5 years of service credit         |
| <b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| <b>Public Safety</b>  | <b>Public Safety</b>  | <b>Public Safety</b>  |
| <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit        | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit        | <b>Age and Service Requirements:</b><br>Age 52 with 25 years of service credit or Age 56 with 15 years of service credit        |
| <b>Law Enforcement</b>  | <b>Law Enforcement</b>  | <b>Law Enforcement</b>  |
| <b>Age and Service Requirements:</b><br>Age 52 with 15 years of service credit  | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit        | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit or Age 56 with 15 years of service credit        |
| <b>Public Safety and Law Enforcement</b>  | <b>Public Safety and Law Enforcement</b>  | <b>Public Safety and Law Enforcement</b>  |
| <b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | <b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | <b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**8. DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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

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

|  | State<br>and Local | Public<br>Safety | Law<br>Enforcement |
|--|--------------------|------------------|--------------------|
| <b>2016 Statutory Maximum Contribution Rates</b> |                    |                  |                    |
| Employer   | 14.0 %             | 18.1 %           | 18.1 %             |
| Employee   | 10.0 %             | *                | **                 |
| <b>2016 Actual Contribution Rates</b>            |                    |                  |                    |
| Employer:  |                    |                  |                    |
| Pension  | 12.0 %             | 16.1 %           | 16.1 %             |
| Post-employment Health Care Benefits             | 2.0                | 2.0              | 2.0                |
| Total Employer                                   | 14.0 %             | 18.1 %           | 18.1 %             |
| Employee   | 10.0 %             | 12.0 %           | 13.0 %             |

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

**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.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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

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 2016, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS 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 2016. Effective January 1, 2016, the portion of employer contributions allocated to healthcare remains at 2% 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, 2016, 2015 and 2014 were \$30,079, \$28,835 and \$27,020 respectively; 100% has been contributed for 2016, 2015 and 2014.

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. FUND BALANCES**

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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 major governmental funds and all other governmental funds are presented below:

| <u>Fund Balances</u>        | <u>General</u>     | <u>Land<br/>Acquisition<br/>Fund</u> | <u>Park<br/>Improvement<br/>Fund</u> | <u>Total</u>       |
|-----------------------------|--------------------|--------------------------------------|--------------------------------------|--------------------|
| <b>Committed to:</b>        |                    |                                      |                                      |                    |
| Projects in Progress        | \$116,307          |                                      | \$12,823                             | \$129,130          |
| Total Committed             | <u>116,307</u>     |                                      | <u>12,823</u>                        | <u>129,130</u>     |
| <b>Assigned to:</b>         |                    |                                      |                                      |                    |
| Outstanding Encumbrances    | 281,529            |                                      |                                      | 281,529            |
| Approved Budgetary Measures | 3,937,907          |                                      |                                      | 3,937,907          |
| Land Acquisition            |                    | 742,804                              |                                      | 742,804            |
| Park Improvements           |                    |                                      | 10,714                               | 10,714             |
| Total Assigned              | <u>4,219,436</u>   | <u>742,804</u>                       | <u>10,714</u>                        | <u>4,972,954</u>   |
| Unassigned (Deficit)        | <u>3,260,066</u>   |                                      |                                      | <u>3,260,066</u>   |
| Total Fund Balance          | <u>\$7,595,809</u> | <u>\$742,804</u>                     | <u>\$23,537</u>                      | <u>\$8,362,150</u> |

**11. CONSTRUCTION AND CONTRACTUAL COMMITMENTS**

| <u>Vendor</u>        | <u>Project</u>             | <u>Original<br/>Encumbrance</u> | <u>Carryover<br/>to 2017</u> |
|----------------------|----------------------------|---------------------------------|------------------------------|
| Flora Excavating     | Smith House Entrance       | \$336,648                       | \$16,777                     |
| BWSC                 | Forest Field Master Plan   | \$30,500                        | \$9,760                      |
| Flora Excavating     | Little Woods               | \$26,000                        | \$26,000                     |
| BWSC                 | Maintenance Facility       | \$5,000                         | \$5,000                      |
| Williams Architects  | Maintenance Facility       | \$9,999                         | \$3,367                      |
| Kelchner             | School House Sewer line    | \$19,000                        | \$19,000                     |
| David Williams Assoc | Skate Park Shade Structure | \$12,500                        | \$12,500                     |
| David Williams Assoc | Oak Grove Shade Structure  | \$6,689                         | \$6,689                      |
| Bright Ideal Shops   | Park Signs                 | \$24,500                        | \$24,500                     |
|                      |                            | <u>\$470,836</u>                | <u>\$123,593</u>             |

Centerville-Washington Park District  
Montgomery County

Statement of Net Position - Cash Basis  
December 31, 2015

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| Assets:                                    |                                    |
| Equity in Pooled Cash and Cash Equivalents | <u>\$8,382,965</u>                 |
| Total Assets                               | <u><u>8,382,965</u></u>            |
| Net Position:                              |                                    |
| Unrestricted                               | <u>8,382,965</u>                   |
| Total Net Position                         | <u><u>\$8,382,965</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, 2015

|                                      | Program Cash Receipts   |   | Net (Disbursements)<br>Receipts and Changes<br>in Net Position |
|--------------------------------------|-------------------------|---|--|
|                                      | Cash<br>Disbursements   | Charges<br>for Services<br>and Sales        | Operating<br>Grants and<br>Contributions                       |
|                                      |                         |   | Governmental<br>Activities                                     |
| Governmental Activities              |                         |   |  |
| Current:                             |                         |   |  |
| Salaries - Employees                 | \$1,790,088             |   | (\$1,790,088)  |
| Improvements                         | 1,117,202               |   | (1,115,352)  |
| Operations                           | 436,317                 |   | (434,666)  |
| Equipment                            | 288,671                 |   | (288,671)  |
| Professional Services                | 34,894                  |   | (34,894)   |
| Utilities & Fees                     | 255,336                 |   | (255,336)  |
| Office Operations                    | 106,478                 |   | (106,478)  |
| Program/Recreation                   | 48,051                  | \$97,562                                    | 50,947   |
| Public Employees Retirement          | 211,143                 |   | (211,143)  |
| Workers' Compensation                | 29,458                  |   | (29,458)   |
| <b>Total Governmental Activities</b> | <u><u>4,317,638</u></u> | <u><u>97,562</u></u>                        | <u><u>4,937</u></u>  |
|                                      |                         |   |  |
|                                      |                         | General Receipts                            |  |
|                                      |                         | Property Taxes Levied for General Purposes  | 4,233,035  |
|                                      |                         | Intergovernmental Revenue                   | 619,749  |
|                                      |                         | Gifts and Donations                         | 483  |
|                                      |                         | Depository Interest                         | 17,711   |
|                                      |                         | Other Receipts                              | 36,748   |
|                                      |                         | <b>Total General Receipts</b>               | <u>4,907,726</u>   |
|                                      |                         | Transfer Out                                | (26)   |
|                                      |                         | <b>Total General Receipts and Transfers</b> | <u>4,907,700</u>   |
|                                      |                         | Change in Net Position                      | 692,561  |
|                                      |                         | Net Position Beginning of Year              | <u>7,690,404</u>   |
|                                      |                         | <b>Net Position End of Year</b>             | <u><u>\$8,382,965</u></u>                                      |

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, 2015

|  | General<br>Fund    | Land<br>Acquisition<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------|-----------------------------|--------------------------------|--------------------------------|
| Assets:                                    |                    |                             |                                |                                |
| Equity in Pooled Cash and Cash Equivalents | \$6,739,088        | \$974,829                   | \$669,048                      | \$8,382,965                    |
| Total Assets                               | <u>6,739,088</u>   | <u>974,829</u>              | <u>669,048</u>                 | <u>8,382,965</u>               |
| Fund Balances:                             |                    |                             |                                |                                |
| Committed                                  | 364,546            |                             | 659,356                        | 1,023,902                      |
| Assigned                                   | 1,113,348          | 974,829                     | 9,692                          | 2,097,869                      |
| Unassigned                                 | <u>5,261,194</u>   |                             |                                | <u>5,261,194</u>               |
| Total Fund Balances                        | <u>\$6,739,088</u> | <u>\$974,829</u>            | <u>\$669,048</u>               | <u>\$8,382,965</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, 2015

|   | General<br>Fund    | Land<br>Acquisition<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|-----------------------------|--------------------------------|--------------------------------|
| <b>Cash Receipts:</b>                                 |                    |                             |                                |                                |
| General Property Tax                                  | \$4,233,035        |                             |                                | \$4,233,035                    |
| Intergovernmental Revenue                             | 619,749            |                             |                                | 619,749                        |
| Gifts and Donations                                   | 5,420              |                             |                                | 5,420                          |
| Program Income  | 97,562             |                             |                                | 97,562                         |
| Depository Interest                                   | 17,711             |                             |                                | 17,711                         |
| Other Receipts  | 36,748             |                             |                                | 36,748                         |
| <b>Total Cash Receipts</b>                            | <b>5,010,225</b>   |                             |                                | <b>5,010,225</b>               |
| <b>Cash Disbursements:</b>                            |                    |                             |                                |                                |
| <b>Current:</b>                                       |                    |                             |                                |                                |
| Salaries - Employees                                  | 1,790,088          |                             |                                | 1,790,088                      |
| Improvements  | 686,294            |                             | 430,908                        | 1,117,202                      |
| Operations  | 436,317            |                             |                                | 436,317                        |
| Equipment   | 288,671            |                             |                                | 288,671                        |
| Professional Services                                 | 34,894             |                             |                                | 34,894                         |
| Utilities & Fees                                      | 255,336            |                             |                                | 255,336                        |
| Office Operations                                     | 106,478            |                             |                                | 106,478                        |
| Program/Recreation                                    | 48,051             |                             |                                | 48,051                         |
| Public Employees Retirement                           | 211,143            |                             |                                | 211,143                        |
| Workers' Compensation                                 | 29,458             |                             |                                | 29,458                         |
| <b>Total Cash Disbursements</b>                       | <b>3,886,730</b>   |                             | <b>430,908</b>                 | <b>4,317,638</b>               |
| <b>Total Receipts Over/(Under) Disbursements</b>      | <b>1,123,495</b>   |                             | <b>(430,908)</b>               | <b>692,587</b>                 |
| <b>Other Financing Receipts/(Disbursements):</b>      |                    |                             |                                |                                |
| Advances-In   |                    |                             | 584,667                        | 584,667                        |
| Advances-Out  | (584,667)          |                             |                                | (584,667)                      |
| Transfers-In  |                    | 1,827                       | 515,134                        | 516,961                        |
| Transfers-Out   | (516,987)          |                             |                                | (516,987)                      |
| <b>Total Other Financing Receipts/(Disbursements)</b> | <b>(1,101,654)</b> | <b>1,827</b>                | <b>1,099,801</b>               | <b>(26)</b>                    |
| <b>Net Change in Fund Balance</b>                     | <b>21,841</b>      | <b>1,827</b>                | <b>668,893</b>                 | <b>692,561</b>                 |
| <b>Fund Cash Balances, Beginning of Year</b>          | <b>6,717,247</b>   | <b>973,002</b>              | <b>155</b>                     | <b>7,690,404</b>               |
| <b>Fund Cash Balances, End of Year</b>                | <b>\$6,739,088</b> | <b>\$974,829</b>            | <b>\$669,048</b>               | <b>\$8,382,965</b>             |

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, 2015

|   | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget |
|---|--------------------|--------------------|--------------------|-------------------------------|
|   | Original           | Final              |                    | (Negative)                    |
| <b>Receipts:</b>                                      |                    |                    |                    |                               |
| General Property Tax                                  | \$3,992,422        | \$4,004,859        | \$4,233,035        | \$228,176                     |
| Intergovernmental Revenue                             | 581,736            | 581,736            | 619,749            | 38,013                        |
| Gifts and Donations                                   | 12,000             | 12,000             | 5,419              | -6,581                        |
| Program Income  | 85,000             | 89,000             | 97,562             | 8,562                         |
| Depository Interest                                   | 7,000              | 18,000             | 17,711             | -289                          |
| Other Receipts  | 14,000             | 21,000             | 36,748             | 15,748                        |
| <b>Total Cash Receipts</b>                            | <b>4,692,158</b>   | <b>4,726,595</b>   | <b>5,010,224</b>   | <b>283,629</b>                |
| <b>Disbursements:</b>                                 |                    |                    |                    |                               |
| <b>Current:</b>                                       |                    |                    |                    |                               |
| Salaries - Employees                                  | 1,825,741          | 1,841,741          | 1,793,805          | 47,936                        |
| Improvements  | 2,242,852          | 2,242,852          | 1,185,128          | 1,057,724                     |
| Operations  | 591,361            | 611,361            | 466,606            | 144,755                       |
| Equipment   | 340,666            | 340,666            | 299,236            | 41,430                        |
| Professional Services                                 | 77,371             | 77,371             | 39,909             | 37,462                        |
| Utilities & Fees                                      | 346,865            | 346,865            | 297,369            | 49,496                        |
| Office Operations                                     | 142,159            | 142,159            | 126,960            | 15,199                        |
| Program/Recreation                                    | 56,332             | 56,332             | 49,608             | 6,724                         |
| Public Employees Retirement                           | 224,545            | 224,545            | 211,143            | 13,402                        |
| Workers' Compensation                                 | 42,079             | 34,079             | 29,458             | 4,621                         |
| Unemployment Compensation                             | 10,400             | 2,400              | 0                  | 2,400                         |
| Other   | 16,000             | 16,000             | 0                  | 16,000                        |
| <b>Total Cash Disbursements</b>                       | <b>5,916,371</b>   | <b>5,936,371</b>   | <b>4,499,222</b>   | <b>1,437,149</b>              |
| <b>Total Receipts Over/(Under) Disbursements</b>      | <b>-1,224,213</b>  | <b>-1,209,776</b>  | <b>511,002</b>     | <b>1,720,778</b>              |
| <b>Other Financing Receipts/(Disbursements):</b>      |                    |                    |                    |                               |
| Advances-In   | 584,667            | 584,667            |                    | -584,667                      |
| Advances-Out  | -584,667           | -584,667           | -584,667           | 0                             |
| Transfers-Out   | -591,778           | -591,778           | -516,987           | 74,791                        |
| <b>Total Other Financing Receipts/(Disbursements)</b> | <b>-591,778</b>    | <b>-591,778</b>    | <b>-1,101,654</b>  | <b>-509,876</b>               |
| <b>Net Change in Fund Balance</b>                     | <b>-1,815,991</b>  | <b>-1,801,554</b>  | <b>-590,652</b>    | <b>1,210,902</b>              |
| <b>Fund Balances, Beginning of Year</b>               | <b>5,945,483</b>   | <b>5,945,483</b>   | <b>5,945,483</b>   |                               |
| <b>Prior Year Encumbrances Appropriated</b>           | <b>771,764</b>     | <b>771,764</b>     | <b>771,764</b>     |                               |
| <b>Fund Balances, End of Year</b>                     | <b>\$4,901,256</b> | <b>\$4,915,693</b> | <b>\$6,126,595</b> | <b>\$1,210,902</b>            |

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, 2015

|  | <u>William and Dorothy Yeck<br/>Nature Fund</u> |
|--|---|
| Assets                                     |   |
| Equity in Pooled Cash and Cash Equivalents | <u>\$41,214</u>                                 |
| Total Assets                               | <u><u>41,214</u></u>                            |
| Net Position:                              |   |
| Held in Trust                              | <u>41,214</u>                                   |
| Total Net Position                         | <u><u>\$41,214</u></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  
December 31, 2015

|   | <u>William and Dorothy Yeck<br/>Nature Fund</u> |
|---|---|
| Additions:                                  |   |
| Gifts and Donations                         | \$49,625  |
| Deductions:                                 |   |
| Payments in Accordance with Trust Agreement | <u>34,738</u>                                   |
| Change in Net Position Before Transfers In  | 14,887  |
| Transfers In                                | <u>26</u>                                       |
| Change in Net Position After Transfers In   | 14,913  |
| Net Position - Beginning of Year            | <u>26,301</u>                                   |
| Net Position - End of Year                  | <u><u>\$41,214</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, 2015**

**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, 2015**

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

**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 government 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, 2015**

**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 2015, 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, 2015.

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during fiscal year 2015 was \$17,711, including \$1,853 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.

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

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

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

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

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

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

**F. Inventory and Prepaid Items**

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

**G. Capital Assets**

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

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

**I. Long-term Obligations**

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



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**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 2015, 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 of normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The District does not have restricted assets.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**3. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015 on the assessed value as of January 1, 2015 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 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, 2015 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2015 property tax receipts were based are as follows:

| Category                | 2015 Collections<br>2014 Assessed Value |
|-------------------------|---|
| Real Property           | \$1,651,714,040                         |
| Public Utility Property | 30,002,790                              |
| Total                   | \$1,681,716,830                         |

**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 five years 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, 2015**

**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 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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Deposits***

Custodial credit risk for deposits 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, \$6,419,179 of the District's bank balance of \$7,435,411 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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.

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

**Investments**

As of December 31, 2015, the District had the following investments:

|                                    | Measurement<br>Value |
|------------------------------------|----------------------|
| Negotiable Certificate of Deposits | \$980,000            |
| STAR Ohio                          | 59,963               |
| Total Portfolio                    | \$1,039,963          |

|                                    | Measurement<br>Amount | Investment Maturities (in Years) |     |     |                |
|------------------------------------|-----------------------|----------------------------------|-----|-----|----------------|
|                                    |                       | Less<br>than 1                   | 1-2 | 3-5 | More<br>than 5 |
| Negotiable Certificate of Deposits | \$980,000             | \$980,000                        |     |     |                |
| STAR Ohio                          | 59,963                | 59,963                           |     |     |                |
| Total Investments                  | \$1,039,963           | \$1,039,963                      | \$0 | \$0 | \$0            |

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

**Credit Risk** The STAR Ohio carries a rating of AAAm by Standard and Poor's. The negotiable certificate of deposits are not rated. The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

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

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

**Concentration of Credit Risk** The District places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2015:

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

| Investment Issuer                  | Percentage of<br>Investments |
|------------------------------------|------------------------------|
| Negotiable Certificate of Deposits | 6%                           |
| STAR Ohio                          | 94%                          |

**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 \$612,492 for the general fund.

**6. INTERFUND TRANSFERS AND ADVANCES**

Interfund cash transfers for the year ended December 31, 2015 were as follows:

| Transfer from               | Transfer To         |                     |                 |  |           |
|-----------------------------|---------------------|---------------------|-----------------|--|-----------|
|                             | Park<br>Improvement | Land<br>Acquisition | Debt<br>Service | William &<br>Dorothy<br>Yeck<br>Nature | Total     |
| Governmental<br>Activities: |                     |                     |                 |  |           |
| General                     | \$515,134           | \$1,827             |                 | \$26                                   | \$516,987 |

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

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**7. RISK MANAGEMENT (Continued)**

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**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**8. DEFINED BENEFIT PENSION PLAN (Continued)**

| <b>Group A</b><br>Eligible to retire prior to<br>January 7, 2013 or five years<br>after January 7, 2013                               | <b>Group B</b><br>20 years of service credit prior to<br>January 7, 2013 or eligible to retire<br>ten years after January 7, 2013     | <b>Group C</b><br>Members not in other Groups<br>and members hired on or after<br>January 7, 2013                                     |
|---|---|---|
| <b>State and Local</b>  | <b>State and Local</b>  | <b>State and Local</b>  |
| <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit          | <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit          | <b>Age and Service Requirements:</b><br>Age 57 with 25 years of service credit<br>or Age 62 with 5 years of service credit            |
| <b>Formula:</b><br>2.2% of FAS multiplied by years of<br>service for the first 30 years and 2.5%<br>for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of<br>service for the first 30 years and 2.5%<br>for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of<br>service for the first 35 years and 2.5%<br>for service years in excess of 35 |
| <b>Public Safety</b>  | <b>Public Safety</b>  | <b>Public Safety</b>  |
| <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit<br>or Age 52 with 15 years of service credit           | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit<br>or Age 52 with 15 years of service credit           | <b>Age and Service Requirements:</b><br>Age 52 with 25 years of service credit<br>or Age 56 with 15 years of service credit           |
| <b>Law Enforcement</b>  | <b>Law Enforcement</b>  | <b>Law Enforcement</b>  |
| <b>Age and Service Requirements:</b><br>Age 52 with 15 years of service credit  | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit<br>or Age 52 with 15 years of service credit           | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit<br>or Age 56 with 15 years of service credit           |
| <b>Public Safety and Law Enforcement</b>  | <b>Public Safety and Law Enforcement</b>  | <b>Public Safety and Law Enforcement</b>  |
| <b>Formula:</b><br>2.5% of FAS multiplied by years of<br>service for the first 25 years and 2.1%<br>for service years in excess of 25 | <b>Formula:</b><br>2.5% of FAS multiplied by years of<br>service for the first 25 years and 2.1%<br>for service years in excess of 25 | <b>Formula:</b><br>2.5% of FAS multiplied by years of<br>service for the first 25 years and 2.1%<br>for service years in excess of 25 |

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

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

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**8. DEFINED BENEFIT PENSION PLAN (Continued)**

|  | <u>State<br/>and Local</u> | <u>Public<br/>Safety</u> | <u>Law<br/>Enforcement</u> |
|--|----------------------------|--------------------------|----------------------------|
| <b>2015 Statutory Maximum Contribution Rates</b> |                            |                          |                            |
| Employer   | 14.0 %                     | 18.1 %                   | 18.1 %                     |
| Employee   | 10.0 %                     | *                        | **                         |
| <b>2015 Actual Contribution Rates</b>            |                            |                          |                            |
| Employer:  |                            |                          |                            |
| Pension  | 12.0 %                     | 16.1 %                   | 16.1 %                     |
| Post-employment Health Care Benefits             | 2.0                        | 2.0                      | 2.0                        |
| Total Employer                                   | <u>14.0 %</u>              | <u>18.1 %</u>            | <u>18.1 %</u>              |
| Employee   | <u>10.0 %</u>              | <u>12.0 %</u>            | <u>13.0 %</u>              |

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

The District's contractually required contribution was \$180,979 for year 2015.

**9. POST EMPLOYMENT BENEFITS**

***Ohio Public Employees Retirement System***

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

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.



**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2015, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care was at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

Substantially all of the District's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$29,123, \$27,020, and \$13,361 respectively. The full amount has been contributed for all three years.

**10. 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 major governmental funds and all other governmental funds are presented below:

**CENTERVILLE-WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**10. FUND BALANCES (Continued)**

| <u>Fund Balances</u>        | <u>General</u>     | <u>Land<br/>Acquisition<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>       |
|-----------------------------|--------------------|--------------------------------------|---|--------------------|
| <b>Committed to:</b>        |                    |                                      |   |                    |
| Projects in Progress        | \$364,546          |                                      | \$659,356                               | \$1,023,902        |
| Total Committed             | 364,546            |                                      | 659,356                                 | 1,023,902          |
| <b>Assigned to:</b>         |                    |                                      |   |                    |
| Outstanding Encumbrances    | 247,946            |                                      |   | 247,946            |
| Approved Budgetary Measures | 865,402            |                                      |   | 865,402            |
| Land Acquisition            |                    | 974,829                              |   | 974,829            |
| Park Improvements           |                    |                                      | 9,692                                   | 9,692              |
| Total Assigned              | 1,113,348          | 974,829                              | 9,692                                   | 2,097,869          |
| Unassigned (Deficit)        | 5,261,194          |                                      |   | 5,261,194          |
| Total Fund Balance          | <u>\$6,739,088</u> | <u>\$974,829</u>                     | <u>\$669,048</u>                        | <u>\$8,382,965</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 N. Main Street  
Centerville, Ohio 45459-4617

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Centerville-Washington Park District, Montgomery County, (the District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 29, 2017, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 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*.

***Purpose of this Report***

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

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 29, 2017

**CENTERVILLE WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

|                       |          |
|-----------------------|----------|
| <i>Finding Number</i> | 2016-001 |
|-----------------------|----------|

**MATERIAL WEAKNESS**

The Park District presented its 2016 and 2015 financial statements on an Other Comprehensive Basis of Accounting (OCBOA). The following errors noted in the Park District's financial statements were determined to be quantitatively material and required audit adjustments to properly present the Park District's financial activity:

- 1. During 2016, the Park District overstated Final Budgeted Receipts in the General fund by \$584,667 on the Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund.
- 2. During 2015, the Park District understated assigned fund balance by \$488,186 and overstated unassigned fund balance by the same amount in the General fund on the Statement of Cash Basis Assets and Fund Balances.

Additionally, there were other errors noted during the audit that were determined to be immaterial and did not require audit adjustments to properly present the Park District's financial activity. These errors have been reported to the District's management and those charged with governance in the summary of unadjusted differences.

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:** We did not receive a response from Officials to this finding.

**CENTERVILLE WASHINGTON PARK DISTRICT  
MONTGOMERY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2016 AND 2015**

| <b>Finding Number</b> | <b>Finding Summary</b>                                      | <b>Status</b>    | <b>Additional Information</b>           |
|-----------------------|---|------------------|---|
| 2014-001              | Material Weakness –<br>Financial Statement<br>Misstatements | Not<br>Corrected | Repeated as Finding Number 2016-<br>001 |



# 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  
OCTOBER 19, 2017**