



Mary Taylor, CPA
Auditor of State

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

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MONTGOMERY COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville-Washington Park District, Montgomery County, (the District), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville-Washington Park District, Montgomery County, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

August 12, 2009

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

This discussion and analysis of the Centerville-Washington Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2008 within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2008 are as follows:

- The net assets of governmental activities increased by \$421,747 or 10.1% in 2008. The increase is reflected chiefly in the general fund where planned park improvements were postponed until 2009.
- The District's general receipts are primarily property taxes. Property tax receipts for 2008 decreased 1.8% from 2007 due to the elimination of the tangible personal property tax and the increase in eligibility for the homestead exemption. These lost revenues were reimbursed to the District by the State of Ohio and are reflected in the increase in intergovernmental revenue.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

Reporting the District's Most Significant Funds

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

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net assets for 2008 compared to 2007 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2008	2007
Assets:		
Cash and Cash Equivalents	\$4,605,912	\$4,184,165
Net Assets:		
Restricted for:		
Capital Projects	2,666,464	2,710,771
Unrestricted	1,939,448	1,473,394
Total Net Assets	<u>\$4,605,912</u>	<u>\$4,184,165</u>

Net assets of governmental activities increased \$421,747 during 2008. The increase in 2008 is reflected chiefly in the general fund where planned park improvements were postponed until 2009.

Table 2 reflects the changes in net assets in 2008 compared to 2007.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2008	2007
Receipts:		
Program Receipts:		
Charges for Services	\$76,078	\$74,006
Operating Grants and Contributions	127,938	91,206
Capital Grants and Contributions	117,358	95,351
Total Program Receipts	<u>321,374</u>	<u>260,563</u>
General Receipts:		
General Property Tax	3,571,304	3,637,333
Intergovernmental Revenue	635,506	507,504
Gifts and Donations	1,057	540
Depository Interest	103,025	238,639
Other Receipts	66,919	18,216
Total General Receipts	<u>4,377,811</u>	<u>4,402,232</u>
Total Receipts	<u>4,699,185</u>	<u>4,662,795</u>

(Continued)

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

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

	Governmental Activities	
	2008	2007
Disbursements:		
Salaries - Employees	1,321,784	1,308,986
Improvements	1,351,352	1,902,580
Operations	331,521	306,536
Equipment	165,273	134,119
Professional Services	34,897	24,654
Utilities & Fees	221,185	301,594
Office Operations	68,838	54,517
Program/Recreation	38,587	31,821
Capital Outlay	221,097	28,907
Public Employees Retirement	155,548	154,125
Workers' Compensation	32,867	31,238
Unemployment compensation	7,727	
Other	64,309	30,623
Payment of Principal on Debt	210,000	200,000
Payment of Interest on Debt	51,105	58,305
Total Disbursements	<u>4,276,090</u>	<u>4,568,005</u>
Excess (Deficiency) Before Transfers	423,095	94,790
Transfers	<u>(1,348)</u>	<u>(3,372)</u>
Increase (Decrease) in Net Assets	<u>\$ 421,747</u>	<u>\$ 91,418</u>

Program receipts represented 6.8 percent of total receipts in 2008. Charges for services, 1.6 percent of total receipts in 2008, were primarily comprised of fees for camps, tennis lessons, adult athletic leagues, and facility reservations. Operating grants and contributions in 2008 included donations restricted to specific uses including \$35,000 from the Centerville United Soccer Association for improvements at Oak Grove Park, \$20,000 from the Centerville Wee Elks Organization for improvements at Schoolhouse Park, \$20,000 from the Centerville Kiwanis Club for a skate park at Oak Creek South Park, and \$10,000 from Bikes Belong for the Iron Horse Trail. Capital grants and contributions included \$117,358 paid by the Ohio Department of Transportation for the reconstruction of the parking lot at Yankee Park.

A ten-year 2.0 mill operating levy approved by voters in 1997 supports Park District operations along with a ten-year 0.9 mill levy approved by voters in 2004 for park improvements. These local taxes make up the largest portion of receipts for the Park District.

Disbursements in 2008 included major park development at Oak Grove Park, Schoolhouse Park, and Yankee Park.

The District's Funds

2008 total governmental funds included receipts of \$4,699,185 and disbursements of \$4,276,090. The fund balance of the General Fund increased by \$466,054.

The balance of \$58,469 in the Washington Township Park Fund was disbursed to purchase an adjacent parcel for Oak Grove Park. \$45,269 from the Land Acquisition Fund was also disbursed to complete the purchase.

General Fund Budgeting Highlights

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

In 2008, the District received higher than anticipated property tax revenues, intergovernmental revenue, donations, program income, and other income. Actual depository interest was lower than the budgeted amount.

Final disbursements in 2008 were budgeted at \$5,359,604 while actual disbursements totaled \$4,130,778. Savings in the improvements account came from projects completed at Oak Grove Park, Oak Creek South Park, and Yankee Park. Additional savings are due to the rescheduling of improvement projects at Oak Grove Park, Oak Creek South Park, Divided Ridge Park, and Stansel Park. The District also experienced savings in salaries, operations, retirement, and utilities and fees accounts.

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2008, the District's outstanding debt included \$1,395,000 in general obligation bonds issued for park improvements. For further information regarding the District's debt, refer to Note 10 to the basic financial statements.

Current Financial Issues

Voters in the District approved a replacement ten-year 2.0 mill operating levy in 2008 to support Park District operations. Collections from this levy will commence in 2009 after the expiration of the current 2.0 mill operating levy.

Contacting the District's Financial Management

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

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$4,605,912</u>
Total Assets	<u><u>4,605,912</u></u>
Net Assets:	
Restricted For:	
Capital Projects	2,666,464
Unrestricted	<u>1,939,448</u>
Total Net Assets	<u><u>\$4,605,912</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, 2008**

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>			<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u>
		<u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital Grants</u> <u>and Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities					
Current:					
Salaries - Employees	\$1,321,784				(\$1,321,784)
Improvements	1,351,352		\$89,038		(1,262,314)
Operations	331,521				(331,521)
Equipment	165,273				(165,273)
Professional Services	34,897				(34,897)
Utilities & Fees	221,185				(221,185)
Office Operations	68,838				(68,838)
Program/Recreation	38,587	\$76,078	38,900		76,391
Capital Outlay	221,097			\$117,358	(103,739)
Public Employees Retirement	155,548				(155,548)
Workers' Compensation	32,867				(32,867)
Unemployment Compensation	7,727				(7,727)
Other	64,309				(64,309)
Debt:					
Payment of Principal	210,000				(210,000)
Payment of Interest	51,105				(51,105)
Total Governmental Activities	<u>\$4,276,090</u>	<u>\$76,078</u>	<u>\$127,938</u>	<u>\$117,358</u>	<u>(3,954,716)</u>
General Receipts					
					3,571,304
Property Taxes Levied for General Purposes					635,506
Intergovernmental Revenue					1,057
Gifts and Donations					103,025
Depository Interest					66,919
Other Receipts					4,377,811
Total General Receipts					<u>4,377,811</u>
Transfer Out					<u>(1,348)</u>
Total General Receipts and Transfers					<u>4,376,463</u>
Change in Net Assets					421,747
Net Assets Beginning of Year					<u>4,184,165</u>
Net Assets End of Year					<u><u>\$4,605,912</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, 2008**

	General Fund	Land Acquisition Fund	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,939,448	\$2,666,464	\$4,605,912
Total Assets	1,939,448	2,666,464	4,605,912
Fund Balances:			
Reserved:			
Reserved for Encumbrances	336,889		336,889
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	1,602,559		1,602,559
Capital Projects Fund		2,666,464	2,666,464
Total Fund Balances	\$1,939,448	\$2,666,464	\$4,605,912

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, 2008**

	<u>General Fund</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash Receipts:				
General Property Tax	\$3,571,304			\$3,571,304
Intergovernmental Revenue	635,506		\$117,358	752,864
Gifts and Donations	128,995			128,995
Program Income	76,078			76,078
Depository Interest	103,025			103,025
Other Receipts	66,919			66,919
Total Cash Receipts	<u>4,581,827</u>		<u>117,358</u>	<u>4,699,185</u>
Cash Disbursements:				
Current:				
Salaries - Employees	1,321,784			1,321,784
Improvements	1,351,352			1,351,352
Operations	331,521			331,521
Equipment	165,273			165,273
Professional Services	34,897			34,897
Utilities & Fees	221,185			221,185
Office Operations	68,838			68,838
Program/Recreation	38,587			38,587
Capital Outlay		\$45,269	175,828	221,097
Public Employees Retirement	155,548			155,548
Workers' Compensation	32,867			32,867
Unemployment Compensation	7,727			7,727
Other	64,309			64,309
Debt:				
Payment of Principal			210,000	210,000
Payment of Interest			51,105	51,105
Total Cash Disbursements	<u>3,793,888</u>	<u>45,269</u>	<u>436,933</u>	<u>4,276,090</u>
Total Receipts Over/(Under) Disbursements	<u>787,939</u>	<u>(45,269)</u>	<u>(319,575)</u>	<u>423,095</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		58,818	261,719	320,537
Transfers-Out	(321,885)			(321,885)
Total Other Financing Receipts/(Disbursements)	<u>(321,885)</u>	<u>58,818</u>	<u>261,719</u>	<u>(1,348)</u>
Net Change in Fund Balance	466,054	13,549	(57,856)	421,747
Fund Cash Balances, Beginning of Year	<u>1,473,394</u>	<u>2,652,915</u>	<u>57,856</u>	<u>4,184,165</u>
Fund Cash Balances, End of Year	<u>\$1,939,448</u>	<u>\$2,666,464</u>	<u>\$0</u>	<u>\$4,605,912</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
General Property Tax	\$3,505,172	\$3,505,172	\$3,571,304	\$66,132
Intergovernmental Revenue	587,246	586,947	635,506	48,559
Gifts and Donations	75,000	85,000	128,995	43,995
Program Income	74,000	74,000	76,078	2,078
Depository Interest	175,000	110,000	103,025	(6,975)
Other Receipts	14,000	14,000	66,919	52,919
Total Cash Receipts	<u>4,430,418</u>	<u>4,375,119</u>	<u>4,581,827</u>	<u>206,708</u>
Disbursements:				
Current:				
Salaries - Employees	1,420,306	1,411,106	1,349,059	62,047
Improvements	2,495,618	2,497,618	1,571,379	926,239
Operations	405,064	420,064	355,628	64,436
Equipment	220,517	193,517	166,444	27,073
Professional Services	45,071	57,071	44,131	12,940
Utilities & Fees	321,574	321,574	237,026	84,548
Office Operations	92,112	92,112	82,658	9,454
Program/Recreation	47,156	47,156	39,786	7,370
Public Employees Retirement	179,845	179,845	166,466	13,379
Workers' Compensation	34,000	34,000	32,867	1,133
Unemployment Compensation	2,080	9,280	8,075	1,205
Other	90,704	96,261	77,259	19,002
Total Cash Disbursements	<u>5,354,047</u>	<u>5,359,604</u>	<u>4,130,778</u>	<u>1,228,826</u>
Total Receipts Over/(Under) Disbursements	<u>(923,629)</u>	<u>(984,485)</u>	<u>451,049</u>	<u>1,435,534</u>
Other Financing Receipts/(Disbursements):				
Transfers-Out	<u>(393,645)</u>	<u>(338,645)</u>	<u>(321,885)</u>	<u>16,760</u>
Net Change in Fund Balance	(1,317,274)	(1,323,130)	129,164	1,452,294
Fund Balances, Beginning of Year	1,159,882	1,159,882	1,159,882	
Prior Year Encumbrances Appropriated	<u>313,513</u>	<u>313,513</u>	<u>313,513</u>	
Fund Balances, End of Year	<u>\$156,121</u>	<u>\$150,265</u>	<u>\$1,602,559</u>	<u>\$1,452,294</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
PRIVATE PURPOSE TRUST FUND
DECEMBER 31, 2008**

	William and Dorothy Yeck Nature Fund
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$63,236
Total Assets	<u>63,236</u>
Net Assets:	
Unrestricted	63,236
Total Net Assets	<u>\$63,236</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR EDNED DECEMBER 31, 2008**

	<u>William and Dorothy Yeck Nature Fund</u>
Additions:	
Gifts and Donations	\$4,347
Deductions:	
Payments in Accordance with Trust Agreement	2,901
Change in Net Assets Before Transfers In	1,446
Transfers In	1,348
Change in Net Assets After Transfers In	2,794
Net Assets - Beginning of Year	60,442
Net Assets - End of Year	<u>\$63,236</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, 2008**

1. DESCRIPTION OF THE PARK DISTRICT AND REPORTING ENTITY

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

A. Reporting Entity

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Fund Accounting

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

1. Governmental Funds:

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

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fiduciary Funds:

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

B. Basis of Presentation

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

1. Government-wide Financial Statement of Activities:

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

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

2. Fund Financial Statements:

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

C. Cash, Cash Equivalents and Investments

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

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

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2008.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during fiscal year 2008 was \$103,025, including \$60,780 assigned from other funds.

D. Restricted Assets

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

E. Inventory and Prepaid Items

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

F. Capital Assets

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

G. Compensated Absences

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

H. Long-term Obligations

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

I. Fund Balance Designations and Reserves

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

J. Net Assets

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

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

For 2008, the statement of net assets reports \$2,666,464 of restricted net assets, of which none is restricted by enabling legislation.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interfund Activity

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

L. Budgetary Data

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

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

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

3. PROPERTY TAXES

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

3. PROPERTY TAXES (Continued)

Tangible personal property taxes collected in the year reported are levied after October 1 of the prior year, on the value as of December 31 of the prior year. Tangible personal property assessments are 25 percent of true value for capital assets and 19 percent of true value for inventory. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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

The full tax rate for all District operations for the year ended December 31, 2008 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which property tax receipts were based are as follows:

Category	2008 Collections 2007 Assessed Value
Real Property	\$1,664,838,360
Public Utility Property	21,909,160
Tangible	21,972,930
Totals	\$1,708,720,450

4. DEPOSITS AND INVESTMENTS

Ohio law restricts deposits and investments to the following:

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

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

A. Deposits

At year-end 2008, the carrying amount of the District's deposits was \$3,403,201 and the bank balance was \$3,440,835. \$250,000 of the bank balance was covered by federal depository insurance and \$3,190,835 was uninsured and uncollateralized. Although the District followed all state statutory requirements for these deposits, noncompliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is not evidenced by securities that exist in physical or book entry form. The fair value of the investment in STAR Ohio at December 31, 2008 was \$1,265,947.

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

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

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

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

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

5. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$336,889 for the general fund.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

6. INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2008 were as follows:

Transfer from	Transfer to				Total
	Land Acquisition	Debt Service	Washington Township Park	William & Dorothy Yeck Nature	
Governmental Activities:					
General	\$58,818	\$261,105	\$614	\$1,348	\$321,885

7. RISK MANAGEMENT

Commercial Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has obtained Commercial Insurance for the following risks:

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

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

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

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

8. DEFINED BENEFIT PENSION PLAN (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. The 2008 member contribution rate was 10.0% for members in local classifications. The 2008 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 2008, 2007, and 2006 were \$156,314, \$153,296, and \$146,400 respectively. 93.0% has been paid for 2008 and 100% has been paid for 2007 and 2006.

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).

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 provides retirement, disability, and survivor benefits as well as post-retirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement 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.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2008 local government employer units contributed at 14.00% of covered payroll. The portion of employer contributions for all employers allocated to health care was 7.00% of covered payroll.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS.

- **Actuarial Review**—The assumptions and calculations below were based on OPERS' latest actuarial review, performed as of December 31, 2007.
- **Funding Method**—An individual entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.
- **Assets Valuation Method**—All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed the 12 percent corridor.
- **Investment Return**—The investment assumption rate for 2007 was 6.50%.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)**

9. POST EMPLOYMENT BENEFITS (Continued)

- **Active Employee Total Payroll**—An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.
- **Health Care**—Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 4.00% for the next 7 years. In subsequent years (8 and beyond), health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

The OPEBs are advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076. The approximate portion of employer contributions that was used to fund post-employment benefits in 2008 was \$78,157. The amount of \$12.8 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2008. The Actuarial Valuation as of December 31, 2007, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on the actuarial cost method used, at \$29.8 billion and \$17.0 billion, respectively.

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

10. LONG-TERM LIABILITIES

The changes in the District's long-term obligations during 2008 consist of the following:

	<u>Balance at January 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at December 31, 2008</u>	<u>Amounts Due in One Year</u>
General Obligation Bonds	\$1,605,000	\$0	\$210,000	\$1,395,000	\$210,000
2005 Park Improvement Bonds					

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

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

<u>Year ending December 31:</u>	
2009	\$ 255,330
2010	259,240
2011	257,640
2012	265,553
2013	262,632
2014	264,180
Total	<u>\$1,564,575</u>

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

This discussion and analysis of the Centerville-Washington Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2007 within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2007 are as follows:

- The net assets of governmental activities increased by \$91,418 or 2.2% in 2007. The increase is reflected chiefly in the land acquisition funds which continue to grow until the funds are needed for planned land acquisitions in the District.
- The District's general receipts are primarily property taxes. Property tax receipts for 2007 increased 1.2% over 2006.
- Voters in the District approved a replacement ten-year 2.0 mill operating levy in November 2007 to support Park District operations. Collections from this levy will commence in 2009 after the expiration of the current 2.0 mill operating levy.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

Reporting the District's Most Significant Funds

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

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net assets for 2007 compared to 2006 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2007	2006
Assets:		
Cash and Cash Equivalents	\$4,184,165	\$4,092,747
Net Assets:		
Restricted for:		
Capital Projects	2,710,771	2,612,229
Unrestricted	1,473,394	1,480,518
Total Net Assets	<u>\$4,184,165</u>	<u>\$4,092,747</u>

Net assets of governmental activities increased \$91,418 during 2007. The increase in 2007 is reflected chiefly in the land acquisition funds which continue to grow until the funds are needed for planned land acquisitions in the District.

Table 2 reflects the changes in net assets in 2007 compared to 2006.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services	\$ 74,006	\$ 72,232
Operating Grants and Contributions	91,206	35,019
Capital Grants and Contributions	95,351	
Total Program Receipts	<u>260,563</u>	<u>107,251</u>
General Receipts:		
General Property Tax	3,637,333	3,594,603
Intergovernmental Revenue	507,504	469,073
Gifts and Donations	540	786
Depository Interest	238,639	241,627
Other Receipts	18,216	24,872
Total General Receipts	<u>4,402,232</u>	<u>4,330,961</u>
Total Receipts	<u>4,662,795</u>	<u>4,438,212</u>

(Continued)

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

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

	Governmental Activities	
	2007	2006
Disbursements:		
Salaries - Employees	1,308,986	1,241,087
Improvements	1,902,580	2,165,314
Operations	306,536	348,826
Equipment	134,119	286,654
Professional Services	24,654	18,336
Utilities & Fees	301,594	197,812
Office Operations	54,517	51,483
Program/Recreation	31,821	37,744
Capital Outlay	28,907	420,909
Public Employees Retirement	154,125	144,742
Workers' Compensation	31,238	30,251
Other	30,623	20,342
Payment of Principal on Debt	200,000	570,000
Payment of Interest on Debt	58,305	89,768
Total Disbursements	<u>4,568,005</u>	<u>5,623,268</u>
Excess (Deficiency) Before Transfers	94,790	(1,185,056)
Transfers	(3,372)	(2,770)
Increase (Decrease) in Net Assets	<u>\$ 91,418</u>	<u>(\$1,187,826)</u>

Program receipts represented 5.6 percent of total receipts in 2007. Charges for services, 1.6 percent of total receipts in 2007, were primarily comprised of fees for camps, tennis lessons, adult athletic leagues, and facility reservations. Operating grants and contributions in 2007 included donations restricted to specific uses including \$20,000 from the Centerville Wee Elks Organization for improvements at Schoolhouse Park, \$30,000 from the Centerville Noon Optimist Club for a shelter at Oak Grove Park, and \$26,780 from the Centerville Rotary Club and its members for a shelter at Oak Grove Park. Capital grants and contributions included \$95,351 awarded from the Ohio NatureWorks program for the all-access playground and shelter at the Activity Center Park.

A ten-year 2.0 mill operating levy approved by voters in 1997 supports Park District operations along with a ten-year 0.9 mill levy approved by voters in 2004 for park improvements. These local taxes make up the largest portion of receipts for the Park District.

Disbursements in 2007 included major park development at Oak Grove Park, Grant Park, and Village South Park.

The District's Funds

2007 total governmental funds included receipts of \$4,662,795 and disbursements of \$4,568,005. The fund balance of the General Fund decreased by \$7,124.

The Land Acquisition Fund and Washington Township Park Fund continue to grow until the funds are needed for planned land acquisitions in the District.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

General Fund Budgeting Highlights

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

In 2007, the District received higher than anticipated property tax revenues, intergovernmental revenue, donations, program income, depository interest, and other income.

Final disbursements in 2007 were budgeted at \$5,437,591 while actual disbursements totaled \$4,594,305. The savings in the improvements account were primarily for the rescheduling of improvement projects at Oak Grove Park, Oak Creek South Park, the Washington Trace proposed park, and the Iron Horse Trail.

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2007, the District's outstanding debt included \$1,605,000 in general obligation bonds issued for park improvements. For further information regarding the District's debt, refer to Note 10 to the basic financial statements.

Current Financial Issues

Voters in the District approved a replacement ten-year 2.0 mill operating levy in 2007 to support Park District operations. Collections from this levy will commence in 2009 after the expiration of the current 2.0 mill operating levy.

Contacting the District's Financial Management

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

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**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$4,184,165
Total Assets	<u>4,184,165</u>
Net Assets:	
Restricted For:	
Capital Projects	2,710,771
Unrestricted	1,473,394
Total Net Assets	<u>\$4,184,165</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
GOVERNMENTAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2007**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
Current:					
Salaries - Employees	\$1,308,986				(\$1,308,986)
Improvements	1,902,580		\$86,371		(1,816,209)
Operations	306,536				(306,536)
Equipment	134,119				(134,119)
Professional Services	24,654				(24,654)
Utilities & Fees	301,594				(301,594)
Office Operations	54,517				(54,517)
Program/Recreation	31,821	\$74,006	500		42,685
Capital Outlay	28,907			\$95,351	66,444
Public Employees Retirement	154,125				(154,125)
Workers' Compensation	31,238				(31,238)
Unemployment Compensation					
Other	30,623		4,335		(26,288)
Debt:					
Payment of Principal	200,000				(200,000)
Payment of Interest	58,305				(58,305)
Total Governmental Activities	<u><u>\$4,568,005</u></u>	<u><u>\$74,006</u></u>	<u><u>\$91,206</u></u>	<u><u>\$95,351</u></u>	<u><u>(4,307,442)</u></u>
General Receipts					
Property Taxes Levied for General Purposes					3,637,333
Intergovernmental Revenue					507,504
Gifts and Donations					540
Depository Interest					238,639
Other Receipts					18,216
Total General Receipts					<u>4,402,232</u>
Transfer Out					<u>(3,372)</u>
Total General Receipts and Transfers					<u>4,398,860</u>
Change in Net Assets					\$91,418
Net Assets Beginning of Year					<u>4,092,747</u>
Net Assets End of Year					<u><u>\$4,184,165</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, 2007**

	General Fund	Land Acquisition Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,473,394	\$2,652,915	\$57,856	\$4,184,165
Total Assets	1,473,394	2,652,915	57,856	4,184,165
Fund Balances:				
Reserved:				
Reserved for Encumbrances	313,512			313,512
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	1,159,882			1,159,882
Capital Projects Fund		2,652,915	57,856	2,710,771
Total Fund Balances	\$1,473,394	\$2,652,915	\$57,856	\$4,184,165

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, 2007**

	<u>General Fund</u>	<u>Land Acquisition Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash Receipts:				
General Property Tax	\$3,637,333			\$3,637,333
Intergovernmental Revenue	507,504		\$95,351	602,855
Gifts and Donations	91,746			91,746
Program Income	74,006			74,006
Depository Interest	238,639			238,639
Other Receipts	18,216			18,216
Total Cash Receipts	<u>4,567,444</u>		<u>95,351</u>	<u>4,662,795</u>
Cash Disbursements:				
Current:				
Salaries - Employees	1,308,986			1,308,986
Improvements	1,902,580			1,902,580
Operations	306,536			306,536
Equipment	134,119			134,119
Professional Services	24,654			24,654
Utilities & Fees	301,594			301,594
Office Operations	54,517			54,517
Program/Recreation	31,821			31,821
Capital Outlay			28,907	28,907
Public Employees Retirement	154,125			154,125
Workers' Compensation	31,238			31,238
Other	30,623			30,623
Debt:				
Payment of Principal			200,000	200,000
Payment of Interest			58,305	58,305
Total Cash Disbursements	<u>4,280,793</u>		<u>287,212</u>	<u>4,568,005</u>
Total Receipts Over/(Under) Disbursements	<u>286,651</u>		<u>(191,861)</u>	<u>94,790</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	99,592	\$128,849	261,146	489,587
Transfers-Out	<u>(393,367)</u>		<u>(99,592)</u>	<u>(492,959)</u>
Total Other Financing Receipts/(Disbursements)	<u>(293,775)</u>	<u>128,849</u>	<u>161,554</u>	<u>(3,372)</u>
Net Change in Fund Balance	(7,124)	128,849	(30,307)	91,418
Fund Cash Balances, Beginning of Year	<u>1,480,518</u>	<u>2,524,066</u>	<u>88,163</u>	<u>4,092,747</u>
Fund Cash Balances, End of Year	<u>\$1,473,394</u>	<u>\$2,652,915</u>	<u>\$57,856</u>	<u>\$4,184,165</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
General Property Tax	\$3,546,990	\$3,546,990	\$3,637,333	\$90,343
Intergovernmental Revenue	588,105	491,713	507,504	15,791
Gifts and Donations	85,000	85,000	91,746	6,746
Program Income	72,000	72,000	74,006	2,006
Depository Interest	200,000	200,000	238,639	38,639
Other Receipts	14,000	14,000	18,216	4,216
Total Cash Receipts	<u>4,506,095</u>	<u>4,409,703</u>	<u>4,567,444</u>	<u>157,741</u>
Disbursements:				
Current:				
Salaries - Employees	1,379,160	1,379,160	1,311,037	68,123
Improvements	2,717,051	2,687,051	2,143,554	543,497
Operations	416,805	416,805	321,392	95,413
Equipment	181,870	181,870	136,136	45,734
Professional Services	42,218	42,218	32,725	9,493
Utilities & Fees	300,001	330,001	314,868	15,133
Office Operations	84,127	84,127	69,829	14,298
Program/Recreation	47,270	47,270	35,477	11,793
Public Employees Retirement	167,519	167,519	167,371	148
Workers' Compensation	35,000	35,000	31,238	3,762
Unemployment Compensation	2,000	2,000		2,000
Other	64,570	64,570	30,678	33,892
Total Cash Disbursements	<u>5,437,591</u>	<u>5,437,591</u>	<u>4,594,305</u>	<u>843,286</u>
Total Receipts Over/(Under) Disbursements	<u>(931,496)</u>	<u>(1,027,888)</u>	<u>(26,861)</u>	<u>1,001,027</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	3,107	99,592	99,592	
Transfers-Out	<u>(444,535)</u>	<u>(444,535)</u>	<u>(393,367)</u>	<u>51,168</u>
Total Other Financing Receipts/(Disbursements)	<u>(441,428)</u>	<u>(344,943)</u>	<u>(293,775)</u>	<u>51,168</u>
Net Change in Fund Balance	(1,372,924)	(1,372,831)	(320,636)	1,052,195
Fund Balances, Beginning of Year	1,119,225	1,119,225	1,119,225	
Prior Year Encumbrances Appropriated	<u>361,293</u>	<u>361,293</u>	<u>361,293</u>	
Fund Balances, End of Year	<u>\$107,594</u>	<u>\$107,687</u>	<u>\$1,159,882</u>	<u>\$1,052,195</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
PRIVATE PURPOSE TRUST FUND
DECEMBER 31, 2007**

	William and Dorothy Yeck Nature Fund
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$60,442
Total Assets	<u>60,442</u>
Net Assets:	
Unrestricted	60,442
Total Net Assets	<u>\$60,442</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>William and Dorothy Yeck Nature Fund</u>
Additions:	
Gifts and Donations	\$50,277
Deductions:	
Payments in Accordance with Trust Agreement	<u>24,458</u>
Change in Net Assets Before Transfers In	25,819
Transfers In	<u>3,372</u>
Change in Net Assets After Transfers In	29,191
Net Assets - Beginning of Year	<u>31,251</u>
Net Assets - End of Year	<u><u>\$60,442</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, 2007**

1. DESCRIPTION OF THE PARK DISTRICT AND REPORTING ENTITY

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

A. Reporting Entity

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Fund Accounting

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

1. Governmental Funds:

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

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

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fiduciary Funds:

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

B. Basis of Presentation

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

1. Government-wide Financial Statement of Activities:

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

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

2. Fund Financial Statements:

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

C. Cash, Cash Equivalents and Investments

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

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

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following Ohio statutes the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to General Fund during fiscal year 2007 was \$238,639, including \$135,062 assigned from other funds

D. Restricted Assets

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

E. Inventory and Prepaid Items

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

F. Capital Assets

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

G. Compensated Absences

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

H. Long-term Obligations

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

I. Fund Balance Designations and Reserves

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

J. Net Assets

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

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

For 2007, the statement of net assets reports \$2,710,771 of restricted net assets, of which none is restricted by enabling legislation.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interfund Activity

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

L. Budgetary Data

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

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

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

3. PROPERTY TAXES

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

3. PROPERTY TAXES (Continued)

Tangible personal property taxes collected in the year reported are levied after October 1 of the prior year, on the value as of December 31 of the prior year. Tangible personal property assessments are 25 percent of true value for capital assets and 21 percent of true value for inventory. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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

The full tax rate for all District operations for the year ended December 31, 2007 was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which property tax receipts were based are as follows:

Category	2007 Collections 2006 Assessed Value
Real Property	\$1,621,671,200
Public Utility Property	29,149,120
Tangible	33,179,808
Totals	\$1,684,000,128

4. DEPOSITS AND INVESTMENTS

Ohio law restricts deposits and investments to the following:

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

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

A. Deposits

At year-end 2007, the carrying amount of the District's deposits was \$2,906,937 and the bank balance was \$2,961,739. \$112,413 of the bank balance was covered by federal depository insurance and \$2,849,326 was uninsured and uncollateralized. Although the District followed all state statutory requirements for these deposits, noncompliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is not evidenced by securities that exist in physical or book entry form. The fair value of the investment in STAR Ohio at December 31, 2007 was \$1,337,670.

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

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

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

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

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

5. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$313,512 for the general fund.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

6. INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2007 were as follows:

	Transfer to					
	General	Land Acquisition	Debt Service	Washington Township Park	William & Dorothy Yeck Nature	Total
Transfer from						
Governmental Activities:						
2007						
General		\$128,849	\$258,305	\$2,841	\$3,372	\$393,367
Park Improvement	\$99,592					\$ 99,592

7. RISK MANAGEMENT

Commercial Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has obtained Commercial Insurance for the following risks:

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

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

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

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

8. DEFINED BENEFIT PENSION PLAN (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007, member and employer contribution rates were consistent across all three plans. The 2007 member contribution rate was 9.5% for members in local classifications. The 2007 employer contribution rate for local government employer units was 13.85% of covered payroll. The District's required contributions to OPERS for the years ended 2007, 2006, and 2005 were \$153,296, \$146,400, and \$132,317 respectively. 93.4% has been paid for 2007 and 100% has been paid for 2006 and 2005.

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).

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 provides retirement, disability, and survivor benefits as well as post-retirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement 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.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2007 local government employer units contributed at 13.85% of covered payroll. The portion of employer contributions for all employers allocated to health care was 5.00% from January 1 through June 30, 2007 and 6.00% from July 1 through December 31, 2007.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS.

- **Actuarial Review**—The assumptions and calculations below were based on OPERS' latest actuarial review, performed as of December 31, 2006.
- **Funding Method**—An individual entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

9. POST EMPLOYMENT BENEFITS (Continued)

- **Assets Valuation Method**—All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed the 12 percent corridor.
- **Investment Return**—The investment assumption rate for 2006 was 6.50%.
- **Active Employee Total Payroll**—An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.
- **Health Care**—Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 5.00% for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

The OPEBs are advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 374,979 active contributing participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The approximate portion of employer contributions that was used to fund post-employment benefits in 2007 was \$61,106. The amount of \$12.0 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2006. The Actuarial Valuation as of December 31, 2006, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on the actuarial cost method used, at \$30.7 billion and \$18.7 billion, respectively.

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

10. LONG-TERM LIABILITIES

The changes in the District's long-term obligations during 2007 consist of the following:

	<u>Balance at January 1, 2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at December 31, 2007</u>	<u>Amounts Due in One Year</u>
General Obligation Bonds	\$1,805,000	\$0	\$200,000	\$1,605,000	\$210,000
2005 Park Improvement Bonds					

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

10. LONG-TERM LIABILITIES (Continued)

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

<u>Year ending December 31:</u>	
2008	\$ 261,105
2009	255,330
2010	259,240
2011	257,640
2012	265,553
2013	262,632
2014	264,180
Total	<u>\$1,825,680</u>



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Centerville-Washington Park District, Montgomery County, (the District) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

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

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



Mary Taylor, CPA
Auditor of State

August 12, 2009



Mary Taylor, CPA
Auditor of State

CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 1, 2009