



**Auditor of State
Betty Montgomery**

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statements of the Centerville-Washington Park District (the District) as of and for the years ended December 31 2002 and 2001. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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 that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 6, 2003

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Type</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
General Property Tax - Real Estate	\$2,187,242				\$2,187,242
Intergovernmental Revenue	344,764				344,764
Investment Income	54,453				54,453
Gifts and Donations	72,769			14,509	87,278
Program Income	67,017				67,017
Other Receipts	23,942				23,942
Total Cash Receipts	2,750,187			14,509	2,764,696
Cash Disbursements:					
Current:					
Salaries - Employees	914,290				914,290
Improvements	711,624				711,624
Operations	390,904				390,904
Equipment	88,446				88,446
Professional Services	60,673				60,673
Utilities & Fees	175,263				175,263
Office Operations	19,199				19,199
Program/Recreation	126,198				126,198
Capital Outlay			16,848		16,848
Public Employees Retirement	109,228				109,228
Workers' Compensation	8,806				8,806
Unemployment Compensation	475				475
Debt:					
Payment of Principal		300,000			300,000
Payment of Interest		78,530			78,530
Other	19,497			26,293	45,790
Total Cash Disbursements	2,624,603	378,530	16,848	26,293	3,046,274
Total Receipts Over/(Under) Disbursements	125,584	(378,530)	(16,848)	(11,784)	(281,578)
Other Financing Receipts/(Disbursements):					
Transfers-In		378,530	87,942	478	466,950
Transfers-Out	(466,950)				(466,950)
Total Other Financing Receipts/(Disbursements)	(466,950)	378,530	87,942	478	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(341,366)		71,094	(11,306)	(281,578)
Fund Cash Balances, January 1	1,183,327		2,063,395	34,712	3,281,434
Fund Cash Balances, December 31	\$841,961	\$0	\$2,134,489	\$23,406	\$2,999,856
Reserves for Encumbrances, December 31	\$159,898	\$0	\$0	\$545	160,443

The notes to the financial statements are an integral part of this statement.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Type</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
General Property Tax - Real Estate	\$2,165,840				\$2,165,840
Intergovernmental Revenue	280,637				280,637
Investment Income	114,089				114,089
Gifts and Donations	58,839			35,575	94,414
Program Income	66,598				66,598
Other Receipts	36,403				36,403
Total Cash Receipts	<u>2,722,406</u>			<u>35,575</u>	<u>2,757,981</u>
Cash Disbursements:					
Current:					
Salaries - Employees	810,202				810,202
Improvements	421,094				421,094
Operations	250,080				250,080
Equipment	192,969				192,969
Professional Services	22,327				22,327
Utilities & Fees	139,409				139,409
Office Operations	18,598				18,598
Program/Recreation	117,221				117,221
Capital Outlay			14,283		14,283
Public Employees Retirement	90,071				90,071
Workers' Compensation	22,220				22,220
Unemployment Compensation	293				293
Debt:					
Payment of Principal		285,000			285,000
Payment of Interest		91,070			91,070
Other	21,674			1,417	23,091
Total Cash Disbursements	<u>2,106,158</u>	<u>376,070</u>	<u>14,283</u>	<u>1,417</u>	<u>2,497,928</u>
Total Receipts Over/(Under) Disbursements	<u>616,248</u>	<u>(376,070)</u>	<u>(14,283)</u>	<u>34,158</u>	<u>260,053</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		376,070	127,532	554	504,156
Transfers-Out	(504,156)				(504,156)
Total Other Financing Receipts/(Disbursements)	<u>(504,156)</u>	<u>376,070</u>	<u>127,532</u>	<u>554</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>112,092</u>		<u>113,249</u>	<u>34,712</u>	<u>260,053</u>
Fund Cash Balances, January 1	<u>1,071,235</u>	<u>0</u>	<u>1,950,146</u>		<u>3,021,381</u>
Fund Cash Balances, December 31	<u>\$1,183,327</u>	<u>\$0</u>	<u>\$2,063,395</u>	<u>\$34,712</u>	<u>\$3,281,434</u>
Reserves for Encumbrances, December 31	<u>\$491,627</u>	<u>\$0</u>	<u>\$15,129</u>	<u>\$15,835</u>	<u>\$522,591</u>

The notes to the financial statements are an integral part of this statement.

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Centerville-Washington Park District, Montgomery County, (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Montgomery County. 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 same as the Board deems conducive to the general welfare.

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

Investments in STAR Ohio are recorded at share values reported by the fund.

D. Fund Accounting

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

1. General Fund

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Debt Service Fund

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

3. Capital Project Funds

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

Park Improvement Fund - This fund received proceeds of general obligation bonds. The proceeds are being used to construct park improvements.

4. Fiduciary Funds (Trust Funds)

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

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

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2002</u>	<u>2001</u>
Demand deposits	\$1,852,502	\$2,154,459
Investments		
Star Ohio	<u>1,147,354</u>	<u>1,126,975</u>
Total deposits and investments	<u>\$2,999,856</u>	<u>\$3,281,434</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the District.

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

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,627,729	\$2,750,187	\$122,458
Debt Service	378,530	378,530	0
Capital Projects	96,130	87,942	(8,188)
Fiduciary	17,009	14,987	(2,022)
Total	<u>\$3,119,398</u>	<u>\$3,231,646</u>	<u>\$112,248</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,541,027	\$3,251,451	\$289,576
Debt Service	378,530	378,530	0
Capital Projects	2,159,525	16,848	2,142,677
Fiduciary	51,368	26,838	24,530
Total	<u>\$6,130,450</u>	<u>\$3,673,667</u>	<u>\$2,456,783</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,700,154	\$2,722,406	\$22,252
Debt Service	376,070	376,070	0
Capital Projects	173,100	127,532	(45,568)
Fiduciary	0	36,129	36,129
Total	<u>\$3,249,324</u>	<u>\$3,262,137</u>	<u>\$12,813</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,707,512	\$3,101,941	\$605,571
Debt Service	376,070	376,070	0
Capital Projects	2,123,246	29,412	2,093,834
Fiduciary	35,575	17,252	18,323
Total	<u>\$6,242,403</u>	<u>\$3,524,675</u>	<u>\$2,717,728</u>

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2002
(Continued)**

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 2002:

	Principal	Interest Rate
General Obligation Bonds	\$1,390,000	4.4-4.75%

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

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

Year ending December 31:	
2003	\$385,030
2004	385,310
2005	394,733
2006	392,813
Total	\$1,557,886

**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2002
(Continued)**

6. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001 and 2002. The District has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

The District provides health insurance and dental and vision coverage to full-time employees through a private carrier.



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Commissioners:

We have audited the accompanying financial statements of the Centerville-Washington Park District, Montgomery County, (the District), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 6, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated June 6, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 6, 2003.

This report is intended solely for the information and use of the audit committee, management and the Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 6, 2003



**Auditor of State
Betty Montgomery**

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CENTERVILLE-WASHINGTON PARK DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 12, 2003**