



OHIO AUDITOR OF STATE
KEITH FABER



**CENTERVILLE-WASHINGTON PARK DISTRICT
MONTGOMERY COUNTY
DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Centerville-Washington Park District, Montgomery County, Ohio (the District), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Centerville-Washington Park District, as of December 31, 2020 and 2019, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 13 to the financial statements for the years ended December 31, 2020 and 2019, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 25, 2021

Centerville-Washington Park District
Montgomery County
Statement of Net Position - Cash Basis
December 31, 2020

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents	<u>\$ 6,880,548</u>
Total assets	<u><u>6,880,548</u></u>
Net Position	
Restricted for:	
William and Dorothy Yeck Trust	161,586
Unrestricted	<u>6,718,962</u>
Total net position	<u><u>\$ 6,880,548</u></u>

See accompanying notes to the financial statements.

Centerville-Washington Park District
Montgomery County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2020

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Salaries and benefits	\$ 2,209,396				\$ (2,209,396)
Improvements	1,183,620			\$ 393,172	(790,448)
Operations	562,552		\$ 665		(561,887)
Equipment	149,292				(149,292)
Professional services	230,604				(230,604)
Utilities and fees	250,326				(250,326)
Office operations	72,084				(72,084)
Program/recreation	101,736	\$ 103,977			2,241
Public employee retirement	250,963				(250,963)
Planning and development	61,246				(61,246)
Unemployment compensation	1,344				(1,344)
Worker's compensation	20,775				(20,775)
Debt Service	834,982				(834,982)
Total governmental activities	5,928,920	103,977	665	393,172	(5,431,106)
		General Receipts			
		Property and other taxes levied for:			
				General purposes	4,483,250
				Grants and entitlements not restricted to specific programs	611,275
				Gifts and donations	38,894
				Interest	101,714
				Miscellaneous	140,019
				Total general receipts	5,375,152
				Change in net position	(55,954)
				Net position beginning of year	6,936,502
				Net position end of year	<u>\$ 6,880,548</u>

See accompanying notes to the financial statements

Centerville-Washington Park District
Montgomery County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in pooled cash and cash equivalents	\$ 6,375,558	\$ -	\$ 504,990	\$ 6,880,548
Total assets	<u>6,375,558</u>	<u>-</u>	<u>504,990</u>	<u>6,880,548</u>
Fund Balances				
Restricted			161,586	161,586
Assigned	1,178,815		343,404	1,522,219
Unassigned	<u>5,196,743</u>			<u>5,196,743</u>
Total fund balances	<u>\$ 6,375,558</u>	<u>\$ -</u>	<u>\$ 504,990</u>	<u>\$ 6,880,548</u>

See accompanying notes to the 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, 2020

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Receipts				
From local sources:				
General property taxes	\$ 4,483,250			\$ 4,483,250
Intergovernmental	611,275			611,275
Grants	665		\$302,421	303,086
Program income	103,977			103,977
Gifts and donations	38,894		90,751	129,645
Interest	101,714			101,714
Other	140,019			140,019
Total receipts	5,479,794	\$ -	393,172	5,872,966
Disbursements				
Current:				
Salaries and benefits	2,209,396			2,209,396
Improvements	794,052		389,568	1,183,620
Operations	562,552			562,552
Equipment	149,292			149,292
Professional services	230,604			230,604
Utilities and fees	250,326			250,326
Office operations	72,084			72,084
Program/recreation	101,736			101,736
Public employee retirement	250,963			250,963
Planning and development	-		61,246	61,246
Unemployment compensation	1,344			1,344
Worker's compensation	20,775			20,775
Debt Service:				
Principal retirement		812,000		812,000
Interest and fiscal charges		22,982		22,982
Total disbursements	4,643,124	834,982	450,814	5,928,920
Excess of receipts over (under) disbursements	836,670	(834,982)	(57,642)	(55,954)
Other financing sources (uses)				
Transfers in	-	834,982	177,261	1,012,243
Transfers out	(1,012,243)		-	(1,012,243)
Advances in	125,000		120,356	245,356
Advances out	(120,356)		(125,000)	(245,356)
Total other financing sources (uses)	(1,007,599)	834,982	172,617	-
Net change in fund balance	(170,929)	-	114,975	(55,954)
Fund balances beginning of year	6,546,487		390,015	6,936,502
Fund balances end of year	\$ 6,375,558	\$ -	\$ 504,990	\$ 6,880,548

See accompanying notes to the 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, 2020

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
General property taxes	\$ 4,829,869	\$ 4,829,869	\$ 4,483,250	\$ (346,619)
Intergovernmental	341,309	341,309	611,275	269,966
Grants	371	371	665	294
Program income	58,056	58,056	103,977	45,921
Gifts and donations	21,717	21,717	38,894	17,177
Interest	56,793	56,793	101,714	44,921
Other	78,180	78,180	140,019	61,839
Total receipts	<u>5,386,295</u>	<u>5,386,295</u>	<u>5,479,794</u>	<u>93,499</u>
Disbursements				
Current:				
Salaries and benefits	2,431,308	2,431,308	2,212,755	218,553
Improvements	1,163,297	1,163,297	975,858	187,439
Operations	740,720	740,720	633,179	107,541
Equipment	207,224	207,224	165,325	41,899
Professional services	292,309	292,309	257,655	34,654
Utilities and fees	388,171	388,171	263,729	124,442
Office operations	132,731	132,731	78,080	54,651
Program/recreation	179,420	179,420	127,743	51,677
Public employee retirement	275,162	275,162	250,963	24,199
Unemployment compensation	3,838	3,838	3,500	338
Worker's compensation	22,778	22,778	20,775	2,003
Total disbursements	<u>5,836,958</u>	<u>5,836,958</u>	<u>4,989,562</u>	<u>847,396</u>
Excess of receipts under disbursements	(450,663)	(450,663)	490,232	940,895
Other financing sources (uses)				
Transfers out	(403,596)	(1,028,733)	(1,012,243)	16,490
Advances in	69,794	69,794	125,000	55,206
Advances out	(120,356)	(120,356)	(120,356)	-
Total other financing sources (uses)	<u>(454,158)</u>	<u>(1,079,295)</u>	<u>(1,007,599)</u>	<u>71,696</u>
Net change in fund balance	(904,821)	(1,529,958)	(517,367)	1,012,591
Fund balance at beginning of year	6,062,989	6,062,989	6,062,989	-
Prior year encumbrances appropriated	483,498	483,498	483,498	-
Fund balance at end of year	<u>\$ 5,641,666</u>	<u>\$ 5,016,529</u>	<u>\$ 6,029,120</u>	<u>\$ 1,012,591</u>

See accompanying notes to the financial statements.

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Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 – 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.

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented in three categories: governmental, proprietary and fiduciary. The District has no proprietary or fiduciary type funds.

Governmental Funds Governmental funds are those through which all governmental functions of the District are financed. The following are the District's major governmental funds:

General The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund This debt service fund is used to account for and report receipts that are restricted for principal retirement as well as interest and other fiscal charges related to any debt of the District.

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

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

Cash, Cash Equivalents, and Investments

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Investments are reported at cost, except for STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, and is recognized as an external investment pool by the District. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to general fund during the fiscal year 2020 was \$101,714 including \$6,366 assigned from other funds.

Interfund Activity

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange 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.

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.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Inventory and Prepaid Items

The District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, 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.

Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Restricted Assets

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget in the general fund.

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

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

Note 3 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 – Property Taxes (continued)

2020 real property taxes are levied after October 1, 2020 on the assessed value as of January 1, 2020 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021. 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. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

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

The full tax rate for all District operations for the year ended December 31, 2020 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2020 property tax receipts were based are as follows (latest information available):

<u>Category</u>	<u>2020 Collections</u> <u>2019 Assessed Value</u>
Real property	\$ 1,852,928,100
Public utility property	42,624,490
Total	<u>\$ 1,895,552,590</u>

Note 4 – Deposits and Investments

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (continued)

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

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

According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor or in a pool for multiple public depositors and must have a market value of at least 105% of the total value of public monies on deposit at the institution. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be 102% or lower if permitted by the Treasurer of State.

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. As of December 31, 2020, the carrying amount of the District’s deposits was \$172,869. The District’s bank balance of \$382,864 was not exposed to custodial credit risk.

The District has no deposit policy for custodial risk beyond the requirements of State statute.

Investments

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity</u>
Star Ohio	\$ 3,062,824	44.9 *
Star Ohio	317,305	44.9 *
Star Ohio	142,550	44.9 *
American Express Certificate of Deposit	245,000	06/07/21
Ally Bank Certificate of Deposit	245,000	07/06/21
Capital One Bank Certificate of Deposit	245,000	04/18/22
Capital One National Certificate of Deposit	245,000	04/18/22
City National Certificate of Deposit	245,000	12/09/22
Citibank Certificate of Deposit	245,000	10/12/23
Morgan Stanley Certificate of Deposit	245,000	01/08/24
Morgan Stanley Certificate of Deposit	245,000	01/27/24
Goldman Sachs Certificate of Deposit	245,000	02/13/24
Texas Exchange Bank Certificate of Deposit	245,000	12/11/24
BMO Harris Bank Certificate of Deposit	245,000	02/27/25
JP Morgan Chase Certificate of Deposit	245,000	04/16/25
State Bank India Certificate of Deposit	245,000	07/10/25
	<u>\$ 6,707,679</u>	

* Days (Average)

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

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (continued)

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

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

Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2020:

Investment Type	Carrying Value	Percentage of Investments
Fith Third Certificate of Deposit Portfolio	\$ 3,185,000	47%
STAR Ohio	3,522,679	53%
Total	\$ 6,707,679	

Investments in negotiable CD’s are all individually below the 5 percent.

Note 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 Statements 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 that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$346,438 for the general fund.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 6 – Interfund Transfers and Advances

Transfers

Interfund transfers for the year ended December 31, 2020 consisted of the following:

Transfers to	Transfers from General
Land Acquisition	\$ 2,456
Park Improvement	144,403
Capital Improvements	29,547
Debt Service	834,982
William and Dorothy Yeck Nature	855
Total	\$ 1,012,243

The transfers represent allocation of unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Advances

Interfund advances for the year ended December 31, 2020 consisted of the following:

Advances To	Advances From		Total
	General	Land Acquisition	
Park Improvement	\$ 120,356	\$ -	\$ 120,356
General	-	125,000	125,000
Total	120,356	\$ 125,000	\$ 245,356

During 2020, \$125,000 was advanced from the Land Acquisition Fund to the General Fund to repay a prior year advance. Also during 2020, \$120,356 was advanced from the General Fund to the Park Improvement Fund for improvements. The advance is expected to be repaid in 2021.

Note 7 – Risk Management

Commercial Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District has obtained Commercial Insurance for the following risks:

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 – Risk Management (continued)

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

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

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 8 – Defined Benefit Pension Plan (continued)

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 8 – Defined Benefit Pension Plan (continued)

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits****	0.0
 Total Employer	 14.0 %
 Employee	 10.0 %

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

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

The District’s contractually required contribution was \$253,197 for year 2020.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 9 - Postemployment Benefits (continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$0 for 2020.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 10 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

2020 Fund Balances	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Restricted for</u>				
W/D Yeck Nature			\$ 161,586	\$ 161,586
Total restricted			161,586	161,586
<u>Assigned</u>				
Encumbrances	\$ 346,438			346,438
Land Acquisition			330,177	330,177
Park Improvements			13,227	13,227
Subsequent Year Appropriations	832,377			832,377
Total assigned	1,178,815		343,404	1,522,219
Unassigned	5,196,743			5,196,743
Total fund balances	\$ 6,375,558	\$ -	\$ 504,990	\$ 6,880,548

Note 11 – Debt

The District's debt transactions for the year ended December 31, 2020, are summarized below:

	Outstanding 1/1/2020	Issued	Retired	Outstanding 12/31/2020	Due Within One Year
Governmental Activities					
<i>General obligation bonds</i>					
2018 Park Improvement Bonds	\$ 812,000	\$ -	\$ 812,000	\$ -	\$ -

During 2018, the District issued \$1,000,000 in general obligation bonds for renovations of the maintenance facility. The bonds have an interest rate of 3.15%.

General obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the District. The debt was repaid from the debt service fund.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 12 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed, by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Centerville-Washington Park District
Montgomery County
Statement of Net Position - Cash Basis
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents	<u>\$ 6,936,502</u>
Total assets	<u><u>6,936,502</u></u>
Net Position	
Restricted for:	
William and Dorothy Yeck Trust	131,226
Capital projects	227
Unrestricted	<u>6,805,049</u>
Total net position	<u><u>\$ 6,936,502</u></u>

See accompanying notes to the financial statements.

Centerville-Washington Park District
Montgomery County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

	Program Cash Receipts			Net (Cash Disbursements)
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Cash Receipts and Changes in Net Position
			Capital Grants and Contributions	Governmental Activities
Governmental Activities				
Salaries and benefits	\$ 2,210,197			\$ (2,210,197)
Improvements	3,284,479		\$ 422,716	(2,861,763)
Operations	543,045			(543,045)
Equipment	159,256			(159,256)
Professional services	152,177			(152,177)
Utilities and fees	271,190			(271,190)
Office operations	109,018			(109,018)
Program/recreation	149,545	\$ 201,600	\$ 3,113	55,168
Public employee retirement	270,961			(270,961)
Planning and development	43,303			(43,303)
Unemployment compensation	1,827			(1,827)
Worker's compensation	18,317			(18,317)
Debt Service	219,763			(219,763)
Total governmental activities	7,433,078	201,600	3,113	(6,805,649)
		General Receipts		
		Property and other taxes levied for:		
				4,439,185
				General purposes
				Grants and entitlements not restricted to specific programs
				610,866
				Gifts and donations
				3,668
				Interest
				181,586
				Miscellaneous
				36,801
				Total general receipts
				5,272,106
				Change in net position
				(1,533,543)
				Net position beginning of year
				8,470,045
				Net position end of year
				\$ 6,936,502

See accompanying notes to the financial statements

Centerville-Washington Park District
Montgomery County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2019

	General	Land Acquisition	Park Improvement	Capital Improvements	Debt Service	William and Dorothy Yeck Nature	Total Governmental Funds
Assets							
Equity in pooled cash and cash equivalents	\$ 6,546,487	\$ 244,644	\$ 13,918	\$ 227	\$ -	\$ 131,226	\$ 6,936,502
Total assets	<u>6,546,487</u>	<u>244,644</u>	<u>13,918</u>	<u>227</u>	<u>-</u>	<u>131,226</u>	<u>6,936,502</u>
Fund Balances							
Restricted	-			227		131,226	131,453
Assigned	1,529,958	244,644	13,918				1,788,520
Unassigned	5,016,529						5,016,529
Total fund balances	<u>\$ 6,546,487</u>	<u>\$ 244,644</u>	<u>\$ 13,918</u>	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ 131,226</u>	<u>\$ 6,936,502</u>

See accompanying notes to the 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, 2019

	General	Land Acquisition	Park Improvement	Capital Improvements	Debt Service	William and Dorothy Yeck Nature	Total Governmental Funds
Receipts							
From local sources:							
General property taxes	\$ 4,439,185						\$ 4,439,185
Intergovernmental	610,866						610,866
Grants	3,113	\$ 226,628	\$ 96,088				325,829
Program income	201,600						201,600
Gifts and donations	3,668					\$ 100,000	103,668
Interest	181,586						181,586
Other	36,801						36,801
Total receipts	5,476,819	226,628	96,088	\$ -	\$ -	100,000	5,899,535
Disbursements							
Current:							
Salaries and benefits	2,210,197						2,210,197
Improvements	1,535,270	714,021	2,910	1,032,278			3,284,479
Operations	543,045						543,045
Equipment	159,256						159,256
Professional services	152,177						152,177
Utilities and fees	271,190						271,190
Office operations	109,018						109,018
Program/recreation	149,545						149,545
Public employee retirement	270,961						270,961
Planning and development						43,303	43,303
Unemployment compensation	1,827						1,827
Worker's compensation	18,317						18,317
Debt Service:							
Principal retirement					188,000		188,000
Interest and fiscal charges					31,763		31,763
Total disbursements	5,420,803	714,021	2,910	1,032,278	219,763	43,303	7,433,078
Excess of receipts over (under) disbursements	56,016	(487,393)	93,178	(1,032,278)	(219,763)	56,697	(1,533,543)
Other financing sources (uses)							
Transfers in		9,322		929,603	219,763	762	1,159,450
Transfers out	(1,159,450)						(1,159,450)
Advances in	93,178	125,000					218,178
Advances out	(125,000)		(93,178)				(218,178)
Total other financing sources (uses)	(1,191,272)	134,322	(93,178)	929,603	219,763	762	-
Net change in fund balance	(1,135,256)	(353,071)	-	(102,675)	-	57,459	(1,533,543)
Fund balances beginning of year	7,681,743	597,715	13,918	102,902		73,767	8,470,045
Fund balances end of year	\$ 6,546,487	\$ 244,644	\$ 13,918	\$ 227	\$ -	\$ 131,226	\$ 6,936,502

See accompanying notes to the 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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
General property taxes	\$ 4,190,963	\$ 4,190,963	\$ 4,439,185	\$ 248,222
Intergovernmental	607,564	607,564	610,866	3,302
Grants	4,070	4,070	3,113	(957)
Program income	433,602	433,602	201,600	(232,002)
Gifts and donations	11,796	11,796	3,668	(8,128)
Interest	337,433	337,433	181,586	(155,847)
Other	80,317	80,317	36,801	(43,516)
Total receipts	5,665,745	5,665,745	5,476,819	(188,926)
Disbursements				
Current:				
Salaries and benefits	2,345,561	2,339,949	2,215,382	124,567
Improvements	1,489,074	1,892,954	1,816,567	76,387
Operations	773,184	773,186	669,765	103,421
Equipment	202,405	202,405	179,441	22,964
Professional services	231,481	231,481	154,586	76,895
Utilities and fees	339,607	339,607	305,141	34,466
Office operations	148,946	148,946	118,249	30,697
Program/recreation	156,426	163,425	154,065	9,360
Public employee retirement	283,481	302,818	270,961	31,857
Unemployment compensation	5,000	1,930	1,827	103
Worker's compensation	30,000	19,344	18,317	1,027
Total disbursements	6,005,165	6,416,045	5,904,301	511,744
Excess of receipts under disbursements	(339,420)	(750,300)	(427,482)	322,818
Other financing sources (uses)				
Transfers out	(1,203,963)	(1,204,963)	(1,159,450)	45,513
Advances in	1,007,469	1,007,469	93,178	(914,291)
Advances out	(914,291)	(914,291)	(125,000)	789,291
Total other financing sources (uses)	(1,110,785)	(1,111,785)	(1,191,272)	(79,487)
Net change in fund balance	(1,450,205)	(1,862,085)	(1,618,754)	243,331
Fund balance at beginning of year	7,309,233	7,309,233	7,309,233	
Prior year encumbrances appropriated	372,510	372,510	372,510	
Fund balance at end of year	\$ 6,231,538	\$ 5,819,658	\$ 6,062,989	\$ 243,331

See accompanying notes to the financial statements.

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Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – 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.

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented in three categories: governmental, proprietary and fiduciary. The District has no proprietary or fiduciary type funds.

Governmental Funds Governmental funds are those through which all governmental functions of the District are financed. The following are the District's major governmental funds:

General The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Land Acquisition Fund This capital projects fund is used to account for and report receipts that are assigned for land acquisition

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

Capital Improvements Fund This capital projects fund is used to account for and report receipts that are restricted for capital improvements.

Debt Service Fund This debt service fund is used to account for and report receipts that are restricted for principal retirement as well as interest and other fiscal charges related to any debt of the District.

William and Dorothy Yeck Nature Fund This capital projects fund is used to account for annual receipts provided by the William and Dorothy Yeck Family Foundation to be used in accordance with the terms and conditions of an agreement that established the fund.

Basis of Accounting

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

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

Cash, Cash Equivalents, and Investments

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

Investments are reported at cost, except for STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, and is recognized as an external investment pool by the District. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the District specified the funds to receive an allocation of interest earnings. Interest earnings credited to general fund during the fiscal year 2019 was \$181,586 including \$10,761 assigned from other funds.

Interfund Activity

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange 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.

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.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

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.

Inventory and Prepaid Items

The District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, 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.

Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Restricted Assets

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget in the general fund.

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

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019 on the assessed value as of January 1, 2019 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020. 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. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

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

The full tax rate for all District operations for the year ended December 31, 2019 was \$2.90 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2019 property tax receipts were based are as follows:

<u>Category</u>	<u>2019 Collections</u> <u>2018 Assessed Value</u>
Real property	\$ 1,836,148,550
Public utility property	39,812,800
Total	<u>\$ 1,875,961,350</u>

Note 4 – Deposits and Investments

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments (continued)

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

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

According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor or in a pool for multiple public depositors and must have a market value of at least 105% of the total value of public monies on deposit at the institution. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be 102% or lower if permitted by the Treasurer of State.

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. As of December 31, 2019, the carrying amount of the District’s deposits was \$226,872. The District’s bank balance of \$370,208 was not exposed to custodial credit risk.

The District has no deposit policy for custodial risk beyond the requirements of State statute.

Investments

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity</u>
Star Ohio	\$ 3,401,071	44.9 *
Star Ohio	220,850	44.9 *
Star Ohio	144,709	44.9 *
Discover Bank Certificate of Deposit	248,000	01/21/20
UBS Bank Certificate of Deposit	245,000	06/15/20
Morgan Stanley Certificate of Deposit	245,000	10/05/20
American Express Certificate of Deposit	245,000	06/07/21
Ally Bank Certificate of Deposit	245,000	07/06/21
Franklin Synergy Certificate of Deposit	245,000	07/29/22
City National Certificate of Deposit	245,000	12/09/22
Bridgewater Certificate of Deposit	245,000	07/19/23
Citibank Certificate of Deposit	245,000	10/12/23
State Bank of India Certificate of Deposit	245,000	01/31/24
Goldman Sachs Certificate of Deposit	245,000	02/13/24
JP Morgan Chase Certificate of Deposit	245,000	10/30/24
	<u>\$ 6,709,630</u>	

* Days (Average)

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

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

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments (continued)

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

Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2019:

Investment Type	Carrying Value	Percentage of Investments
Fifth Third Certificate of Deposit Portfolio	\$ 2,943,000	44%
STAR Ohio	3,766,630	56%
Total	\$ 6,709,630	

Investments in negotiable CD’s are all individually below the 5 percent.

Note 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 that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$483,498 for the general fund.

Note 6 – Interfund Transfers and Advances

Interfund transfers for the year ended December 31, 2019 consisted of the following:

Transfers To	Transfers From General
Land Acquisition	9,322
Capital Improvements	929,603
Debt Service	219,763
William and Dorothy Yeck Nature	762
Total	\$ 1,159,450

The transfers represent allocation of unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 6 – Interfund Transfers and Advances (continued)

	Advances From	
Advances To	General	Park Improvement
Land Acquisition	\$ 125,000	
General Fund		\$ 93,178

During 2019, \$125,000 was advanced from the General Fund to the Land Acquisition Fund for improvements. The advance is expected to be repaid in 2020. The \$93,178 advance from the Park Improvement fund was for repayment of an advance made during 2018.

Note 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.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 8 – Defined Benefit Pension Plan (continued)

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 8 – Defined Benefit Pension Plan (continued)

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

The District’s contractually required contribution was \$254,301 for the year 2019.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS’ CAFR referenced below for additional information.

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

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Postemployment Benefits (continued)

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was \$0 for 2019.

Note 10 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

2019 Fund Balances	General	Land Acquisition	Park Improvement	Capital Improvements	Debt Service	William and Dorothy Yeck Nature	Total Governmental Funds
<u>Restricted for</u>							
Capital Improvements W/D Yeck Nature				\$ 227		\$ 131,226	\$ 131,226
Total restricted				227		131,226	131,453
<u>Assigned</u>							
Encumbrances	\$ 483,498						483,498
Land Acquisition		\$ 244,644					244,644
Park Improvements			\$ 13,918				13,918
Subsequent Year Appropriations	1,046,460		-				1,046,460
Total assigned	1,529,958	244,644	13,918				1,788,520
Unassigned	5,016,529						5,016,529
Total fund balances	<u>\$ 6,546,487</u>	<u>\$ 244,644</u>	<u>\$ 13,918</u>	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ 131,226</u>	<u>\$ 6,936,502</u>

Centerville-Washington Park District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 11 – Debt

The District’s debt transactions for the year ended December 31, 2019, are summarized below:

	<u>Outstanding</u> <u>1/1/2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>12/31/2019</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
<i>General obligation bonds</i>					
2018 Park Improvement Bonds	\$ 1,000,000	\$ -	\$ 188,000	\$ 812,000	\$ 194,000

During 2018, the District issued \$1,000,000 in general obligation bonds for renovations of the maintenance facility. The bonds have an interest rate of 3.15%.

General obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the District.

The annual requirements to amortize the long-term debt outstanding as of December 31, 2019 are below:

General Obligation Bonds			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 194,000	\$ 25,578	\$ 219,578
2021	200,000	19,467	219,467
2022	206,000	13,167	219,167
2023	212,000	6,678	218,678
Total	<u>\$ 812,000</u>	<u>\$ 64,890</u>	<u>\$ 876,890</u>

The District paid off the debt during 2020.

Note 12 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed, by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Note 13 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District’s investment portfolio fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and any recovery from emergency funding, wither federal or state, cannot be estimated.

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

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

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Centerville-Washington Park District, Montgomery County, (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 25, 2021 wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 25, 2021

OHIO AUDITOR OF STATE KEITH FABER



CENTERVILLE-WASHINGTON PARK DISTRICT

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/3/2021

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov