



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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ANDERSON TOWNSHIP PARK DISTRICT
HAMILTON COUNTY

REGULAR AUDIT

For the Year Ended December 31, 2011
Fiscal Year Audited Under GAGAS: 2011



Dave Yost • Auditor of State

Board of Trustees
Anderson Township Park District
8249 Clough Pike
Cincinnati, Ohio 45244

We have reviewed the *Independent Auditor's Report* of the Anderson Township Park District, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Anderson Township Park District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 4, 2012

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Anderson Township Park District
Hamilton County
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Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report

Members of the Board of Commissioners
Anderson Township Park District
Hamilton County
8249 Clough Pike
Cincinnati, Ohio 45244

We have audited the accompanying financial statements of the governmental activities and each major fund of Anderson Township Park District, Hamilton County (the Park District), as of and for the year ended December 31, 2011, which collectively comprise the Park District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Park District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

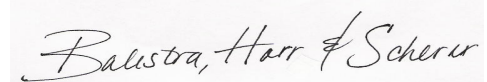
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Anderson Township Park District, Hamilton County, Ohio as of December 31, 2011, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2012, on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Park District's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, governmental activities and long-term debt. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Members of the Board of Commissioners
Anderson Township Park District
Hamilton County
Independent Auditor's Report
Page 2

As described in Note 11 to the financial statements, during 2011 the Park District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
April 27, 2012

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The discussion and analysis of the Anderson Township Park District's (the Park District) financial performance provides an overall review of the Park District's financial activities for the year ended December 31, 2011, within the limitations of the Park District's cash basis of accounting. The intent of this discussion and analysis is to look at the Park District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Park District's financial performance.

Financial Highlights

Key financial highlights for the year 2011 are as follows:

- Net assets increased \$131,728. This is primarily due to a new bond issue.
- General receipts in the form of property taxes, unrestricted grants, contributions and donations, investment earnings, miscellaneous and proceeds of bonds make up total receipts of \$3,119,381. The Park District had program specific receipts of \$952,866.

Using the Basic Financial Statements

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Park District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis provide information about the activities of the whole Park District, presenting both an aggregate view of the Park District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Park District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanations and details regarding the information reported in the statements.

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Basis of Accounting

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

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

Reporting the Park District as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Park District did financially during 2011, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the Park District at year-end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Park District's general receipts.

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

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all of the Park District's services. The Park District has no business-type activities.

Reporting the Park District's Most Significant Funds

Fund Financial Statements

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

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Governmental Funds

The Park District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Park District's governmental operations and the services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Park District's programs. The Park District's governmental funds are presented on the financial statements in separate columns. The Park District's governmental funds are the General Fund and the Debt Service Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Park District as a Whole

Table 1 provides a summary of the Park District's net assets for 2011 compared to 2010 on a cash basis:

Table 1
Net Assets – Cash Basis

	Governmental Activities		
	2011	2010	Change
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,469,528	\$1,337,800	\$131,728
Net Assets:			
Restricted	3,124	3,050	74
Unrestricted	1,466,404	1,334,750	131,654
<i>Total Net Assets</i>	\$1,469,528	\$1,337,800	\$131,728

As mentioned previously, net assets increased \$131,728. The increase is due to the issuance of new debt and careful spending.

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Table 2 reflects the changes in net assets in 2011 and 2010.

Table 2
Changes in Net Assets

	Governmental Activities		
	2011	2010	Change
Receipts:			
Program Cash Receipts:			
Charges for Services	\$801,594	\$838,030	(\$36,436)
Operating Grants and Contributions	151,272	152,895	(1,623)
Total Program Cash Receipts	<u>952,866</u>	<u>990,925</u>	<u>(38,059)</u>
General Receipts:			
Property Taxes Levied for			
General Purposes	2,425,622	2,399,594	26,028
Grants and Entitlements not Restricted			
to Specific Programs	352,142	350,922	1,220
Investment Earnings	1,081	2,005	(924)
Miscellaneous	40,536	155,329	(114,793)
Proceeds From the Sale of Bonds	300,000	1,650,000	(1,350,000)
Total General Receipts	<u>3,119,381</u>	<u>4,557,850</u>	<u>(1,438,469)</u>
<i>Total Receipts</i>	<u>4,072,247</u>	<u>5,548,775</u>	<u>(1,476,528)</u>
Disbursements:			
Conservation and Recreation	3,370,732	2,987,510	383,222
Capital Outlay	118,394	2,042,649	(1,924,255)
Debt Service:			
Principal Retirement	374,343	205,702	168,641
Interest and Fiscal Charges	77,050	53,590	23,460
<i>Total Disbursements</i>	<u>3,940,519</u>	<u>5,289,451</u>	<u>(1,348,932)</u>
<i>Change in Net Assets</i>	<u>131,728</u>	<u>259,324</u>	<u>(127,596)</u>
<i>Net Assets at Beginning of Year</i>	<u>1,337,800</u>	<u>1,078,476</u>	<u>259,324</u>
<i>Net Assets at End of Year</i>	<u>\$1,469,528</u>	<u>\$1,337,800</u>	<u>\$131,728</u>

In 2011, 77 percent of the Park District's total receipts were from general receipts, consisting mainly of property taxes levied for general Park District purposes along with new debt proceeds. The remaining 23 percent of the Park District's total receipts were from program specific receipts consisting of charges for services, fees, and operating grants and contributions. The decrease in capital outlay expenditures was the result of installing two all weather synthetic fields at Riverside Park in 2010. These types of expenditures were not repeated in 2011. In 2011, the Park District purchased 27.658 acres to expand the Clear Creek Park. The purchase was financed mostly through the issuance of bonds. At the Kellogg Park Dog Field, new fencing was erected.

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The Park District's Funds

As noted earlier, the Park District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Park District's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Park District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Park District's net resources available for spending at the end of the year.

At the end of 2011, the Park District's governmental funds reported total ending fund balances of \$1,469,528, of which \$1,377,085 is unassigned. The unassigned portion is not restricted and is available for spending. The remainder of fund balance is reserved to indicate it is not available for new spending.

While the bulk of the governmental fund balances are not restricted in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets – Cash Basis due to their being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments.

The General Fund is the chief operating fund of the Park District. At the end of 2011, unassigned fund balance in the General Fund was \$1,377,085. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund disbursements. Unassigned fund balance represents 39.47 percent of the total General Fund disbursements.

Disbursements exceeded receipts in the General Fund by \$168,346 in 2011 before including proceeds of bonds. During 2011, the Park District purchased additional land to expand the Clear Creek Park Expansion and replaced fencing at the Kellog Park Dog Field. Property taxes account for 59.4 percent of receipts in the General Fund. Intergovernmental receipts consist of payments from the township and state to the Park District. Conservation and recreation, and capital outlay account for all of the disbursements in the General Fund.

General Fund Budgeting Highlights

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

During the course of 2011, the Park District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. For the General Fund, the final budget basis receipts estimated at year-end decreased from the original estimates prepared in January by \$72,076. Charges for services decreased \$193,135 and all other receipts had a cumulative increase of \$265,211. Actual receipts were \$185 higher than the final budgeted receipts.

Final appropriated disbursements were \$856,523 lower than originally budgeted. Actual disbursements were \$67,652 less than the final budgeted amounts. The entire difference was the result of lower conservation and recreation disbursements combined with lower capital outlay disbursements.

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Debt Administration

At December 31, 2011 the Park District had \$1,855,261 in general obligation bonds outstanding, of which \$450,218 is due within one year. Table 3 summarizes the bonds outstanding:

Table 3
Outstanding Debt, at Year-End

	2011	2010
Governmental Activities:		
G.O. Bonds 1997 - Beech Acres Park Purchase	\$100,000	\$125,000
G.O. Bonds 1998 - Clear Creek Park Turn Lane	118,511	172,511
G.O. Bonds 1998 - Johnson Park Purchase	58,715	85,815
G.O. Bonds 2010 - Riverside Park	1,340,625	1,546,875
G.O. Bonds 2011 - Clear Creek Park Expansion	238,005	0
<i>Total</i>	\$1,855,856	\$1,930,201

For more information on the Park District's debt, see Note 9 of the basic financial statements.

Contacting the Park District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Park District's finances and to reflect the Park District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Brian Jordan, Financial Officer, at Anderson Township Park District, 8249 Clough Pike, Cincinnati, Ohio 45244-2746, or email at bjordan@andersonparks.com.

Anderson Township Park District
Hamilton County
Statement of Net Assets - Cash Basis
December 31, 2011

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,469,528</u>
Net Assets:	
Restricted for:	
Debt Service	\$3,124
Unrestricted	<u>1,466,404</u>
<i>Total Net Assets</i>	<u><u>\$1,469,528</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2011

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Conservation and Recreation	\$3,370,732	\$801,594	\$151,272	(\$2,417,866)
Capital Outlay	118,394	0	0	(118,394)
Debt Service:				
Principal Retirement	374,345	0	0	(374,345)
Interest and Fiscal Charges	77,048	0	0	(77,048)
<i>Total Governmental Activities</i>	<u>\$3,940,519</u>	<u>\$801,594</u>	<u>\$151,272</u>	<u>(2,987,653)</u>
General Receipts:				
Property Taxes Received for General Purposes				2,425,622
Grants and Entitlements not Restricted to Specific Programs				352,142
Investment Earnings				1,081
Miscellaneous				40,536
Proceeds from the Sale of Bonds				300,000
<i>Total General Receipts</i>				<u>3,119,381</u>
<i>Change in Net Assets</i>				131,728
<i>Net Assets at Beginning of Year</i>				1,337,800
<i>Net Assets at End of Year</i>				<u>\$1,469,528</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2011

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	<u>\$1,466,404</u>	<u>\$3,124</u>	<u>\$1,469,528</u>
Fund Balances:			
Restricted	\$0	\$3,124	\$3,124
Committed	39,727	0	39,727
Assigned	49,592	0	49,592
Unassigned	<u>1,377,085</u>	<u>0</u>	<u>1,377,085</u>
<i>Total Fund Balances</i>	<u>\$1,466,404</u>	<u>\$3,124</u>	<u>\$1,469,528</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County

Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2011

	General Fund	Debt Service Fund	Total Governmental Funds
Receipts:			
Property Taxes	\$1,974,155	\$451,467	\$2,425,622
Investment Earnings	1,081	0	1,081
Intergovernmental	481,079	0	481,079
Charges for Services	725,550	0	725,550
Fees	76,044	0	76,044
Miscellaneous	40,536	0	40,536
Contributions and Donations	22,335	0	22,335
<i>Total Receipts</i>	<u>3,320,780</u>	<u>451,467</u>	<u>3,772,247</u>
Disbursements:			
Current:			
Conservation and Recreation	3,370,732	0	3,370,732
Capital Outlay	118,394	0	118,394
Debt Service:			
Principal Retirement	0	374,345	374,345
Interest and Fiscal Charges	0	77,048	77,048
<i>Total Disbursements</i>	<u>3,489,126</u>	<u>451,393</u>	<u>3,940,519</u>
<i>Excess of Revenues Under Expenditures</i>	(168,346)	74	(168,272)
Other Financing Sources:			
Proceeds from the Sale of Bonds	300,000	0	300,000
<i>Net Change in Fund Balances</i>	131,654	74	131,728
<i>Fund Balances at Beginning of Year</i>	1,334,750	3,050	1,337,800
<i>Fund Balances at End of Year</i>	<u>\$1,466,404</u>	<u>\$3,124</u>	<u>\$1,469,528</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Property Taxes	\$1,808,191	\$1,974,155	\$1,974,155	\$0
Investment Earnings	2,955	1,065	1,081	16
Intergovernmental	486,714	481,079	481,079	0
Charges for Services	920,711	727,576	725,550	(2,026)
Fees	88,400	75,000	76,044	1,044
Miscellaneous	85,700	61,720	62,871	1,151
<i>Total Receipts</i>	<u>3,392,671</u>	<u>3,320,595</u>	<u>3,320,780</u>	<u>185</u>
Disbursements:				
Current:				
Conservation and Recreation	3,819,050	3,448,839	3,384,346	64,493
Capital Outlay	683,569	197,257	194,098	3,159
<i>Total Disbursements</i>	<u>4,502,619</u>	<u>3,646,096</u>	<u>3,578,444</u>	<u>67,652</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,109,948)	(325,501)	(257,664)	67,837
Other Financing Sources:				
Proceeds from the Sale of Bonds	0	300,000	300,000	0
Other Financing Uses	(180,000)	0	0	0
Total Other Financing Sources	<u>(180,000)</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,289,948)	(25,501)	42,336	67,837
<i>Fund Balance at Beginning of Year</i>	1,269,235	1,269,235	1,269,235	0
<i>Prior Year Encumbrances Appropriated</i>	65,515	65,515	65,515	0
<i>Fund Balance at End of Year</i>	<u>\$44,802</u>	<u>\$1,309,249</u>	<u>\$1,377,086</u>	<u>\$67,837</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Reporting Entity

The Anderson Township Park District (the Park District) was created under authority of Chapter 511.18 of the Ohio Revised Code. The Anderson Township Trustees appoint a five-member Board of Commissioners to govern the Park District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities.

The Park District is considered a related organization to Anderson Township, Ohio. This is based on the fact that the Board of Commissioners are appointed by the Anderson Township Trustees, but Anderson Township cannot impose its will on the Park District in any manner, nor does there exist any financial benefit or burden relationship between the Park District and Anderson Township.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Park District. The Park District's services include park repairs and maintenance, park expansion and improvement, and community recreational activities.

B. Component Units

Component units are legally separate organizations for which the Park District is financially accountable. The Park District is financially accountable for an organization if the Park District appoints a voting majority of the organization's governing board and (1) the Park District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Park District is legally entitled to or can otherwise access the organization's resources; or the Park District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Park District, are accessible to the Park District and are significant in amount to the Park District. The Park District has no component units.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2, 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Park District's accounting policies.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The Park District's basic financial statements consist of government-wide financial statements, including a Statement of Net Assets-Cash Basis and a Statement of Activities-Cash Basis, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Assets-Cash Basis and the Statement of Activities-Cash Basis display information about the Park District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Park District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. The Park District has no business-type activities.

The Statement of Net Assets-Cash Basis presents the cash and investment balances of the governmental activities of the Park District at year-end. The Statement of Activities-Cash Basis compares disbursements and program receipts for each program or function of the Park 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 Park District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to assist the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Park District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Park District.

Fund Financial Statements

During the year, the Park District segregates transactions related to certain Park District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Park 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.

B. Fund Accounting

The Park District uses funds 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. Funds are used to segregate resources that are restricted as to use. The Park District only presents one category of funds: governmental.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Funds

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

The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Park District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The Debt Service Fund accounts for resources restricted for the payment of bond debt.

C. Basis of Accounting

The Park District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Park 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 Park District are described in the appropriate section in this note.

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

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Commissioners may appropriate. The appropriations resolution is the Board of Commissioner's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Commissioners. The legal level of control has been established by the Board of Commissioners at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Financial Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Commissioners.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 2 – Summary of Significant Accounting Policies (continued)

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amount represents the final appropriations passed by the Board of Commissioners during the year, including all supplemental appropriations.

E. Cash and Investments

The Park District includes investments as assets. Accordingly, the Park District does not record purchases of investments as disbursements or sales of investments as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Accumulated Leave

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

The Park District is accumulating resources for payments of vacation and compensatory time to employees at termination or retirement. The funds are being accumulated in the General Fund.

I. Employer Contributions to Cost-Sharing Pension Plans

The Park District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The Park District's cash basis financial statements do not report liabilities for 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 financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 2 – Summary of Significant Accounting Policies (continued)

K. Net Assets

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

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Park 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.

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 classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Park Commissioners. Those committed amounts cannot be used for any other purpose unless the Park Commissioners remove or change 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 Park 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 Park Commissioners or a Park District official delegated that authority by resolution, or by State Statute.

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

The Park 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.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 3 – 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) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances which are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis), which represents amounts received but not included on the budgetary basis. The adjustment necessary to convert the results of operations for the year on the cash basis to the budget basis for the General Fund is as follows:

	<u>General</u>
Cash Basis	\$ 131,654
Encumbrances	<u>(89,318)</u>
Budget Basis	<u>\$ 42,336</u>

Note 4 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Park District treasury. Active monies must be maintained either as cash in the Park 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 of Commissioners has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities 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;

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 4 – Deposits and Investments (continued)

3. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed 30 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) of this section 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 (STAROhio); and,
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Park District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$866,379 of the Park District's bank balance of \$1,520,890 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Park District's name.

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

Note 5 – Property Taxes

Property taxes include amounts levied against all real and public utility personal property (used in business) located in the Park District. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 5 – Property Taxes (continued)

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

Real property taxes are payable annually or semi-annually. If paid annually, 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.

The full tax rate for all Park District operations for the year ended December 31, 2011, was \$2.28 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$1,212,975,000
Public Utility Personal	12,775,000
Total	<u><u>\$1,225,750,000</u></u>

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

Note 6 – Risk Management

Ohio Government Risk Management Plan

The Park District belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;

Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and

Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage's to its members sold through 14 appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 6 – Risk Management (continued)

member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retain 17.5 percent (15 percent through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10 percent of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 761 members as of December 31, 2010 (the latest information available). The Park District participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through 17 appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 65 members as of December 31, 2010 (the latest information available). The Park District does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Plan’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and net assets at December 31, 2010 and 2009 (the latest information available):

	2010	2009
Assets	\$12,036,541	\$11,176,186
Liabilities	(4,845,056)	(4,852,485)
Net Assets	\$7,191,485	\$6,323,701

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description – The Park District participates 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

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 7 – Defined Benefit Pension Plan (continued)

contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll. For 2011, member and employer contribution rates were consistent across all three plans.

The Park District's 2011 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4 percent during 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during 2011. Employer contribution rates are actuarially determined.

The Park District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$108,043, \$106,008, and \$97,812, respectively. The full amount has been contributed for 2011, 2010, and 2009.

Note 8 – Post-Employment Benefits

Ohio Public Employees Retirement System

Plan Description – 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 plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 8 – Post-Employment Benefits (continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained 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 post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent during 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 during 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Park District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$43,217, \$58,893, and \$70,726, respectively. 100 percent has been contributed for 2011, 2010, and 2009.

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

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 9 – Debt

The Park District’s long-term debt activity for the year ended December 31, 2011, was as follows:

	Prinicipal Outstanding 12/31/2010	Additions	Deletions	Principal Outstanding 12/31/2011	Amount Due in One Year
<u>Governmental Activities</u>					
G.O. Bonds 1997 - Beech Acres Park	\$ 125,000	\$ -	\$ 25,000	\$ 100,000	\$ 100,000
G.O. Bonds 1998 - Clear Creek Park Turn	172,511	-	54,000	118,511	57,454
G.O. Bonds 1998 - Johnson Park Purchase	85,815	-	27,100	58,715	28,578
G.O. Bonds 2010 - Riverside Park	1,546,875	-	206,250	1,340,625	206,250
G.O. Bonds 2011 - Clear Creek Park Expansion	-	300,000	61,995	238,005	57,936
Total Long-Term Obligations	<u>\$1,930,201</u>	<u>\$300,000</u>	<u>\$374,345</u>	<u>\$1,855,856</u>	<u>\$450,218</u>

The Park District issued a General Obligation Land Acquisition Bond on March 27, 1997, in the amount of \$1,200,000 at 5.15 percent interest for a term of 15 years for the acquisition of real property for the Park District. Interest and principal payments are due semi-annually to Fifth Third Bank. The bonds are collateralized by the property and will be paid with property tax revenues.

The Park District issued General Obligation Park Improvement and Land Acquisition Bonds on July 22, 1998 and November 5, 1998, in the amounts of \$650,000 and \$320,000, respectively, at 5.17 percent and 5.38 percent, respectively, for a term of 15 years to improve the parks and to acquire additional park land. Interest and principal payments are due semi-annually to U.S. Bank. The bonds are collateralized by the property and will be paid with property tax revenues.

The Park District issued a General Obligation Park Improvement Bond on March 15, 2010 in the amount of \$1,650,000. The bonds bear interest at a rate of 3.85 percent over a period of 16 years. The bonds were issued to install all weather fields at Riverside Park. Interest and principal payments are due semi-annually to PNC Bank. The bonds are collateralized by the property and will be paid with property taxes.

The Park District issued a General Obligation Park Improvement Bond on August 19, 2011 in the amount of \$300,000. The bonds bear interest at a rate of 1.78 percent over a period of 5 years. The bonds were issued to improve existing parks by purchasing additional land located in the Park District. Interest and principal payments are due semi-annually to Fifth Third Bank. The bonds are collateralized by the property and will be paid with property taxes.

The following is a summary of the Park District’s future annual debt service requirements:

Year	Principal	Interest
2012	\$450,218	\$64,809
2013	356,411	48,469
2014	266,267	35,904
2015	267,335	26,894
2016	206,250	17,867
2017-2018	309,375	11,910
Total	<u>\$1,855,856</u>	<u>\$205,853</u>

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 9 – Debt (Continued)

The Ohio Revised Code provides that net general obligation debt of the Park District, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Park District. The Revised Code further provides that total voted and unvoted net debt of the Park District less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation.

Note 10 – Leases

Operating Leases

The Park District had previously entered into two lease-purchase agreements for equipment to be used to maintain park property. An existing lease-purchase matured in 2011 with the Park District retaining the ownership of the equipment. Total costs were \$155,157 for the year ended December 31, 2011. The future minimum lease principal payments are as follows:

<u>Year Ending December 31,</u>	
2012	\$65,541
2013	<u>66,864</u>
	<u><u>\$132,405</u></u>

Note 11 – Change in Accounting Principle

For 2011, the Park District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on the fund balances as previously reported.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Anderson Township Park District
Hamilton County
8249 Clough Pike
Cincinnati, Ohio 45244

To the Board of Commissioners

We have audited the financial statements of governmental activities and each major fund of Anderson Township, Hamilton County (the Park District), as of and for the year ended December 31, 2011, which collectively comprise the Park District's basic financial statements and have issued our report thereon dated April 27, 2012 wherein we noted that the Park District followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America, and wherein we noted the Park District implemented GASB Statement No. 54 for the year ended December 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Park District's financial statements will not be prevented, or detected and timely corrected.

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

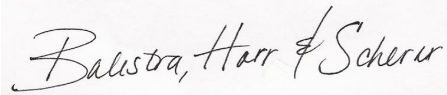
Compliance and Other Matters

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

Members of the Board of Commissioners
Anderson Township Park District, Hamilton County
Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters (continued)

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
April 27, 2012



Dave Yost • Auditor of State

ANDERSON TOWNSHIP PARK DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 14, 2012**