



Balestra, Harr & Scherer, CPAs, Inc.

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

www.bhscpas.com

ANDERSON TOWNSHIP
HAMILTON COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2011 and 2010
Fiscal Years Audited Under GAGAS: 2011 and 2010



Dave Yost • Auditor of State

Board of Trustees
Anderson Township
7850 Five Mile Road
Cincinnati, Ohio 45230

We have reviewed the *Independent Auditor's Report* of Anderson Township, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2010 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. Anderson Township is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 17, 2012

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Anderson Township
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 Trustees
Anderson Township
Hamilton County
7850 Five Mile Road
Cincinnati, Ohio 45230

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Anderson Township, Hamilton County (the Township), as of and for the years ended December 31, 2011 and December 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

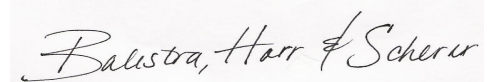
As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Anderson Township, Hamilton County, Ohio as of December 31, 2011 and December 31, 2010, and the respective changes in cash financial position and the respective budgetary comparison for the General fund and Fire District Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2012, on our consideration of the Township'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 Township's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, and governmental activities. 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.

As described in Note 12 to the financial statements, the Township 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 rectangular background.

Balestra, Harr & Scherer, CPAs, Inc.
May 30, 2012

Anderson Township
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

This discussion and analysis of Anderson Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2011 and 2010 within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2011 and 2010 are as follows:

Net assets increased \$2,143,780, or 6.6%, between 2010 and 2011. Net assets of governmental activities decreased \$272,592, or 0.83%, between 2009 and 2010.

The Township's general receipts are primarily property taxes, payments in lieu of taxes, and unrestricted grants. These receipts represent 44.6%, 25.2%, and 18.5%, respectively, of the total cash received for governmental activities during 2011. These receipts represent 44.0%, 31.3%, and 13.9% of total cash received for governmental activities during 2010.

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 Township's cash basis of accounting.

Report Components

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

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

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the Township'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.

Anderson Township
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2011 and 2010, within the limitations of cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or activity draws from the Township's general receipts.

These statements report the Township'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 Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township has one type of activity:

Governmental activities. Most of the Township's basic services are reported here, including general government, public safety, and public works, such as road and bridge construction and maintenance. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds, not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are contained in one category:

Governmental funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2011 and 2010 are the General Fund, Fire District Fund, and TIF Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the government-wide statements.

Anderson Township
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2011, compared with 2010 on a cash basis:

Table 1	Governmental Activities	
	2011	2010
Assets		
Equity in Pooled		
Cash and Cash Equivalents	\$ 34,851,282	\$ 32,707,502
Total Assets	\$ 34,851,282	\$ 32,707,502
Net Assets		
Restricted	\$ 17,487,594	\$ 17,250,472
Unrestricted	17,363,688	15,457,030
Total Net Assets	\$ 34,851,282	\$ 32,707,502

As mentioned previously, net assets of governmental activities increased \$2,143,780, or 6.6%, during 2011 and decreased \$272,592, or 0.83%, during 2010. These changes are a result of changes in receipts and disbursements between years. This will be discussed further with Table 2 below which reflects the changes in net assets in 2011 and 2010.

Table 2	Governmental Activities	
	2011	2010
Receipts		
Program Receipts		
Charges for Services and Sales	\$ 1,572,748	\$ 1,465,651
Operating Grants and Contributions	297,948	316,266
Capital Grants and Contributions	1,102,412	1,114,253
Total Program Receipts	2,973,108	2,896,170
General Receipts		
Property and Other Taxes	14,728,904	14,377,632
Grants and Entitlements not Restricted to Specific Programs	6,085,770	4,559,657
Payments in Lieu of Taxes	8,289,229	10,236,164
Interest	158,115	187,981
Miscellaneous	674,647	455,569
Total General Receipts	29,936,665	29,817,003
Total Receipts	32,909,773	32,713,173
Disbursements		
General Government	3,640,586	3,853,615
Public Safety	11,769,407	11,641,120
Public Works	2,800,647	3,362,329
Health	96,493	96,304
Conservation-Recreation	61,750	67,215
Capital Outlay	9,119,088	10,689,160
Debt Service		
Principal	2,178,864	2,095,682
Interest	1,099,158	1,180,340
Total Disbursements	30,765,993	32,985,765
Change in Net Assets	2,143,780	(272,592)
Beginning Net Assets	32,707,502	32,980,094
Ending Net Assets	\$ 34,851,282	\$ 32,707,502

Anderson Township
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

For 2011 and 2010, program receipts represent only 9.0% and 8.9%, respectively, of total receipts and are comprised of charges for services and sales, operating grants and contributions and capital grants and contributions.

For 2011 and 2010, general receipts represent 91.0% and 91.1%, respectively, of the Township's total receipts. For 2011 and 2010, Property and other tax receipts represent 44.8% and 44.0%, respectively, of total receipts. For 2011 and 2010, payments in lieu of taxes comprised 25.2% and 31.3%, respectively, of the Township's general receipts. For 2011 and 2010, unrestricted grants and entitlements comprised 18.5% and 13.9%, of general receipts. Payments in lieu of taxes decreased in 2011 due to a property tax reappraisal. Grants and entitlements not restricted to specific programs increased in 2011 due to additional inheritance tax monies received during 2011. Miscellaneous receipts during 2010 decreased due to refunds from prior year disbursements that was received in 2009.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities.

Public Safety is the costs of fire protection services. Public Works is the cost of maintaining and repairing roads, bridges, and similar items of the Township, which fluctuates from year to year based on the number of projects. Capital Outlay decreased slightly.

Governmental Activities

If you look at the Statement of Activities on pages 10 and 16, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements during 2011 for governmental activities are for General Government, Public Safety, Public Works, and Capital Outlay which account for 11.8%, 38.3%, 9.1%, and 29.6% of all governmental disbursements, respectively. The major program disbursements during 2010 for governmental activities are for General Government, Public Safety, Public Works, and Capital Outlay which account for 11.7%, 35.3%, 10.2%, and 32.4% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2011	2011	2010	2010
General Government	\$ 3,640,586	\$ 3,014,760	\$ 3,853,615	\$ 3,274,858
Public Safety	11,769,407	10,878,539	11,641,120	10,836,262
Public Works	2,800,647	2,449,100	3,362,329	2,968,937
Health	96,493	96,493	96,304	96,304
Conservation-Recreation	61,750	59,295	67,215	62,305
Capital Outlay	9,119,088	8,016,676	10,689,160	9,574,907
Debt Service				
Principal	2,178,864	2,178,864	2,095,682	2,095,682
Interest	1,099,158	1,099,158	1,180,340	1,180,340
Total Disbursements	<u>\$ 30,765,993</u>	<u>\$ 27,792,885</u>	<u>\$ 32,985,765</u>	<u>\$ 30,089,595</u>

Anderson Township
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

The dependence upon property and other tax receipts, payments in lieu of taxes, and unrestricted grants and entitlements is apparent as nearly 88.4% and 89.2% of 2011 and 2010 governmental activities disbursements are supported through these general receipts, respectively.

The Township's Funds

For 2011 and 2010, total governmental funds had receipts and other financing sources of \$32,909,773 and \$32,713,922, respectively, and disbursements and other financing uses of \$30,765,993 and \$32,986,514, respectively.

The fund balance of the General fund increased \$1,906,658 between 2010 and 2011. Intergovernmental Revenues increase \$1,605,379 as a result of an increase in inheritance tax monies received. General government expenditures, public safety and capital outlay decreased from 2010 to 2011.

The fund balance of the General fund decreased \$479,196 between 2009 and 2010. Total receipts increased slightly from 2009 to 2010. General government expenditures increased from 2009 to 2010 primarily due to salary increases and additional outside facilities maintenance. Capital Outlay expenditures increased due to increased purchased of capital assets.

The fund balance of the Fire District fund increased \$755,036 between 2010 and 2011 and increased \$908,235 between 2009 and 2010 as a result of receipts exceeding disbursements. Public safety disbursements continued to increase in 2011 and 2010 as the fire district provided additional services.

The fund balance of the TIF fund increased \$378,147 between 2010 and 2011. The increase is due to a decrease in capital outlay disbursements which was a direct result of a decrease in receipts. The fund balance of the TIF fund increased \$1,520,587 between 2009 and 2010. Payments in lieu of taxes receipts decreased from the prior year and capital outlay disbursements also decreased.

General Fund Budgeting Highlights

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

During 2011 the Township amended its General Fund budget to decrease disbursements for transfers out, general government, and public safety and an increase in disbursements for capital outlay. In 2011, actual receipts were higher than final budgeted amounts in the amount of \$2,938,532 as a result of additional intergovernmental receipts received. Actual disbursements were less than final budgeted amounts due to less than anticipated disbursements for general governmental and capital outlay.

During 2010, The Township amended final budgeted receipts. These amendments increased budgeted receipts in the amount of \$761,043 due mainly to intergovernmental receipts. Actual receipts were \$337,765 above final budgeted amount due primarily to intergovernmental receipts and miscellaneous receipts, which was partially offset by a decrease in licenses, permits and fees.

Anderson Township
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure. Acquisitions of property, plant and equipment are recorded as disbursements when paid.

Debt

At December 31, 2011 and 2010, the Township's outstanding debt included \$21,315,000 and \$23,215,000, respectively in bonds outstanding for the construction of an administrative center. There were also Ohio Public Works Commission Loans outstanding at December 31, 2011 and 2010. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. We will work diligently to maintain the highest level of services to our residents at the lowest possible cost.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kenneth G. Dietz, Fiscal Officer, Anderson Township at Anderson Center, 7850 Five Mile Road, Cincinnati, Ohio 45230.

Anderson Township
Statement of Net Assets - Cash Basis
December 31, 2011

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$34,851,282
<i>Total Assets</i>	\$34,851,282
Net Assets	
Restricted for:	
Fire District	\$3,802,688
Permanent Improvements	911,027
Tax Increment Financing Projects	8,571,159
Road and Bridge	2,186,866
Police Services	854,107
Debt Service	129,230
Other Purposes	1,032,517
Unrestricted	17,363,688
<i>Total Net Assets</i>	\$34,851,282

See accompanying notes to the basic financial statements.

Anderson Township
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 and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$3,640,586	\$625,826	\$0	\$0	(\$3,014,760)
Public Safety	11,769,407	890,868	0	0	(10,878,539)
Public Works	2,800,647	56,054	295,493	0	(2,449,100)
Health	96,493	0	0	0	(96,493)
Conservation-Recreation	61,750	0	2,455	0	(59,295)
Capital Outlay	9,119,088	0	0	1,102,412	(8,016,676)
Debt Service					
Principal	2,178,864	0	0	0	(2,178,864)
Interest	1,099,158	0	0	0	(1,099,158)
<i>Total Governmental Activities</i>	<u>\$30,765,993</u>	<u>\$1,572,748</u>	<u>\$297,948</u>	<u>\$1,102,412</u>	<u>(27,792,885)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			111,978
		Road & Bridge			1,958,957
		Fire District			7,600,435
		Police District			1,725,012
		Permissive Motor Vehicle License			332,522
		Debt Service			3,000,000
		Grants and Entitlements not Restricted to Specific Programs			6,085,770
		Payments in Lieu of Taxes			8,289,229
		Interest			158,115
		Miscellaneous			674,647
		<i>Total General Receipts</i>			<u>29,936,665</u>
		Change in Net Assets			2,143,780
		<i>Net Assets Beginning of Year</i>			<u>32,707,502</u>
		<i>Net Assets End of Year</i>			<u>\$34,851,282</u>

See accompanying notes to the basic financial statements.

Anderson Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2011

	General	Fire District Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$17,363,688	\$3,802,688	\$8,571,159	\$5,113,747	\$34,851,282
<i>Total Assets</i>	<u>\$17,363,688</u>	<u>\$3,802,688</u>	<u>\$8,571,159</u>	<u>\$5,113,747</u>	<u>\$34,851,282</u>
Fund Balances					
Nonspendable	\$26	\$0	\$0	\$0	\$26
Restricted	0	3,802,688	8,571,159	5,113,747	17,487,594
Assigned	487,520	0	0	0	487,520
Unassigned	16,876,142	0	0	0	16,876,142
<i>Total Fund Balances</i>	<u>\$17,363,688</u>	<u>\$3,802,688</u>	<u>\$8,571,159</u>	<u>\$5,113,747</u>	<u>\$34,851,282</u>

See accompanying notes to the basic financial statements.

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

	General	Fire District Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$111,978	\$7,600,435	\$0	\$7,016,491	\$14,728,904
Charges for Services	0	890,868	0	0	890,868
Licenses, Permits and Fees	567,140	0	0	0	567,140
Fines and Forfeitures	58,686	0	0	0	58,686
Intergovernmental	4,464,874	1,079,818	1,102,412	839,026	7,486,130
Payments in Lieu of Taxes	0	0	8,289,229	0	8,289,229
Special Assessments	0	0	0	56,054	56,054
Interest	158,115	0	0	0	158,115
Other	416,552	207,188	0	50,907	674,647
<i>Total Receipts</i>	<u>5,777,345</u>	<u>9,778,309</u>	<u>9,391,641</u>	<u>7,962,478</u>	<u>32,909,773</u>
Disbursements					
Current:					
General Government	3,640,586	0	0	0	3,640,586
Public Safety	13,387	8,989,650	0	2,766,370	11,769,407
Public Works	93,952	0	0	2,706,695	2,800,647
Health	96,493	0	0	0	96,493
Conservation-Recreation	3,085	0	0	58,665	61,750
Capital Outlay	23,184	33,623	9,013,494	48,787	9,119,088
Debt Service:					
Principal Retirement	0	0	0	2,178,864	2,178,864
Interest and Fiscal Charges	0	0	0	1,099,158	1,099,158
<i>Total Disbursements</i>	<u>3,870,687</u>	<u>9,023,273</u>	<u>9,013,494</u>	<u>8,858,539</u>	<u>30,765,993</u>
<i>Net Change in Fund Balances</i>	1,906,658	755,036	378,147	(896,061)	2,143,780
<i>Fund Balances Beginning of Year</i>	<u>15,457,030</u>	<u>3,047,652</u>	<u>8,193,012</u>	<u>6,009,808</u>	<u>32,707,502</u>
<i>Fund Balances End of Year</i>	<u>\$17,363,688</u>	<u>\$3,802,688</u>	<u>\$8,571,159</u>	<u>\$5,113,747</u>	<u>\$34,851,282</u>

See accompanying notes to the basic financial statements.

Anderson Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$109,000	\$109,000	\$111,978	\$2,978
Licenses, Permits and Fees	710,500	710,500	536,427	(174,073)
Fines and Forfeitures	10,000	10,000	58,686	48,686
Intergovernmental	1,616,250	1,616,250	4,464,874	2,848,624
Interest	154,000	154,000	158,115	4,115
Other	206,000	206,000	414,202	208,202
<i>Total Receipts</i>	2,805,750	2,805,750	5,744,282	2,938,532
Disbursements				
Current:				
General Government	3,746,400	4,161,159	3,433,711	727,448
Public Safety	60,000	57,603	31,513	26,090
Public Works	110,000	110,000	93,952	16,048
Health	101,000	101,000	96,493	4,507
Conservation-Recreation	58,000	58,000	3,085	54,915
Capital Outlay	201,500	294,976	137,184	157,792
<i>Total Disbursements</i>	4,276,900	4,782,738	3,795,938	986,800
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,471,150)	(1,976,988)	1,948,344	3,925,332
Other Financing Sources (Uses)				
Transfers Out	(710,000)	(660,000)	(650,000)	10,000
<i>Total Other Financing Sources (Uses)</i>	(710,000)	(660,000)	(650,000)	10,000
<i>Net Change in Fund Balance</i>	(2,181,150)	(2,636,988)	1,298,344	3,935,332
<i>Fund Balance Beginning of Year</i>	14,702,791	14,702,791	14,702,791	0
<i>Prior Year Encumbrances Appropriated</i>	499,697	499,697	499,697	0
<i>Fund Balance End of Year</i>	\$13,021,338	\$12,565,500	\$16,500,832	\$3,935,332

See accompanying notes to the basic financial statements.

Anderson Township
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budgetary Basis
 Fire District Fund
 For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$7,470,000	\$7,470,000	\$7,600,435	\$130,435
Charges for Services	800,000	800,000	890,868	90,868
Intergovernmental	1,083,500	1,083,500	1,079,818	(3,682)
Other	187,100	187,100	207,188	20,088
<i>Total Receipts</i>	<u>9,540,600</u>	<u>9,540,600</u>	<u>9,778,309</u>	<u>237,709</u>
Disbursements				
Current:				
Public Safety	9,426,600	9,481,555	9,085,113	396,442
Capital Outlay	68,000	68,000	47,497	20,503
<i>Total Disbursements</i>	<u>9,494,600</u>	<u>9,549,555</u>	<u>9,132,610</u>	<u>416,945</u>
<i>Net Change in Fund Balance</i>	46,000	(8,955)	645,699	654,654
<i>Fund Balance Beginning of Year</i>	2,989,358	2,989,358	2,989,358	0
<i>Prior Year Encumbrances Appropriated</i>	<u>58,294</u>	<u>58,294</u>	<u>58,294</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,093,652</u></u>	<u><u>\$3,038,697</u></u>	<u><u>\$3,693,351</u></u>	<u><u>\$654,654</u></u>

See accompanying notes to the basic financial statements.

Anderson Township
Statement of Net Assets - Cash Basis
December 31, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$32,707,502</u>
<i>Total Assets</i>	<u><u>\$32,707,502</u></u>
 Net Assets	
Restricted for:	
Fire District	\$3,047,652
Permanent Improvements	937,535
Tax Increment Financing Projects	8,193,012
Road and Bridge	2,111,046
Police Services	1,648,516
Debt Service	94,000
Other Purposes	1,218,711
Unrestricted	<u>15,457,030</u>
<i>Total Net Assets</i>	<u><u>\$32,707,502</u></u>

See accompanying notes to the basic financial statements.

Anderson Township
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$3,853,615	\$578,757	\$0	\$0	(\$3,274,858)
Public Safety	11,641,120	804,858	0	0	(10,836,262)
Public Works	3,362,329	82,036	311,356	0	(2,968,937)
Health	96,304	0	0	0	(96,304)
Conservation-Recreation	67,215	0	4,910	0	(62,305)
Capital Outlay	10,689,160	0	0	1,114,253	(9,574,907)
Debt Service					
Principal	2,095,682	0	0	0	(2,095,682)
Interest	1,180,340	0	0	0	(1,180,340)
<i>Total Governmental Activities</i>	<u>\$32,985,765</u>	<u>\$1,465,651</u>	<u>\$316,266</u>	<u>\$1,114,253</u>	<u>(30,089,595)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			114,577
		Road & Bridge			1,999,855
		Fire District			7,687,846
		Police District			1,739,800
		Permissive Motor Vehicle License			335,554
		Debt Service			2,500,000
		Grants and Entitlements not Restricted to Specific Programs			4,559,657
		Payments in Lieu of Taxes			10,236,164
		Interest			187,981
		Miscellaneous			455,569
		<i>Total General Receipts</i>			<u>29,817,003</u>
		Change in Net Assets			(272,592)
		<i>Net Assets Beginning of Year</i>			<u>32,980,094</u>
		<i>Net Assets End of Year</i>			<u>\$32,707,502</u>

See accompanying notes to the basic financial statements.

Anderson Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Fire District Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$15,457,030	\$3,047,652	\$8,193,012	\$6,009,808	\$32,707,502
<i>Total Assets</i>	<u>\$15,457,030</u>	<u>\$3,047,652</u>	<u>\$8,193,012</u>	<u>\$6,009,808</u>	<u>\$32,707,502</u>
Fund Balances					
Nonspendable	\$26	\$0	\$0	\$0	\$26
Restricted	0	3,047,652	8,193,012	6,009,808	17,250,472
Assigned	499,697	0	0	0	499,697
Unassigned	14,957,307	0	0	0	14,957,307
<i>Total Fund Balances</i>	<u>\$15,457,030</u>	<u>\$3,047,652</u>	<u>\$8,193,012</u>	<u>\$6,009,808</u>	<u>\$32,707,502</u>

See accompanying notes to the basic financial statements.

Anderson Township
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Fire District Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$114,577	\$7,687,846	\$0	\$6,575,209	\$14,377,632
Charges for Services	0	804,858	0	0	804,858
Licenses, Permits and Fees	567,700	0	0	0	567,700
Fines and Forfeitures	11,057	0	0	0	11,057
Intergovernmental	2,859,495	1,134,899	1,114,253	881,529	5,990,176
Payments in Lieu of Taxes	0	0	10,236,164	0	10,236,164
Special Assessments	0	0	0	82,036	82,036
Interest	187,981	0	0	0	187,981
Other	370,283	42,143	0	43,143	455,569
<i>Total Receipts</i>	<u>4,111,093</u>	<u>9,669,746</u>	<u>11,350,417</u>	<u>7,581,917</u>	<u>32,713,173</u>
Disbursements					
Current:					
General Government	3,853,615	0	0	0	3,853,615
Public Safety	115,640	8,724,158	0	2,801,322	11,641,120
Public Works	101,657	0	0	3,260,672	3,362,329
Health	96,304	0	0	0	96,304
Conservation-Recreation	47,326	0	0	19,889	67,215
Capital Outlay	374,998	37,353	9,829,830	446,979	10,689,160
Debt Service:					
Principal Retirement	0	0	0	2,095,682	2,095,682
Interest and Fiscal Charges	0	0	0	1,180,340	1,180,340
<i>Total Disbursements</i>	<u>4,589,540</u>	<u>8,761,511</u>	<u>9,829,830</u>	<u>9,804,884</u>	<u>32,985,765</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(478,447)</u>	<u>908,235</u>	<u>1,520,587</u>	<u>(2,222,967)</u>	<u>(272,592)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	749	749
Transfers Out	(749)	0	0	0	(749)
<i>Total Other Financing Sources (Uses)</i>	<u>(749)</u>	<u>0</u>	<u>0</u>	<u>749</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(479,196)</u>	<u>908,235</u>	<u>1,520,587</u>	<u>(2,222,218)</u>	<u>(272,592)</u>
<i>Fund Balances Beginning of Year - As Restated</i>	<u>15,936,226</u>	<u>2,139,417</u>	<u>6,672,425</u>	<u>8,232,026</u>	<u>32,980,094</u>
<i>Fund Balances End of Year</i>	<u><u>\$15,457,030</u></u>	<u><u>\$3,047,652</u></u>	<u><u>\$8,193,012</u></u>	<u><u>\$6,009,808</u></u>	<u><u>\$32,707,502</u></u>

See accompanying notes to the basic financial statements.

Anderson Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$112,000	\$114,225	\$114,577	\$352
Licenses, Permits and Fees	664,400	777,295	535,500	(241,795)
Fines and Forfeitures	25,000	10,585	11,057	472
Intergovernmental	1,895,200	2,536,637	2,859,495	322,858
Interest	113,000	105,625	187,981	82,356
Other	170,000	196,276	369,798	173,522
<i>Total Receipts</i>	<u>2,979,600</u>	<u>3,740,643</u>	<u>4,078,408</u>	<u>337,765</u>
Disbursements				
Current:				
General Government	3,862,900	4,342,126	3,638,876	703,250
Public Safety	68,000	239,401	127,102	112,299
Public Works	90,000	105,000	101,657	3,343
Health	99,000	99,000	96,304	2,696
Conservation-Recreation	58,000	58,000	47,326	10,674
Capital Outlay	209,500	583,480	448,475	135,005
<i>Total Disbursements</i>	<u>4,387,400</u>	<u>5,427,007</u>	<u>4,459,740</u>	<u>967,267</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,407,800)</u>	<u>(1,686,364)</u>	<u>(381,332)</u>	<u>1,305,032</u>
Other Financing Sources (Uses)				
Transfers Out	(489,000)	(489,000)	(480,749)	8,251
<i>Total Other Financing Sources (Uses)</i>	<u>(489,000)</u>	<u>(489,000)</u>	<u>(480,749)</u>	<u>8,251</u>
<i>Net Change in Fund Balance</i>	(1,896,800)	(2,175,364)	(862,081)	1,313,283
<i>Fund Balance Beginning of Year</i>	14,525,265	14,525,265	14,525,265	0
<i>Prior Year Encumbrances Appropriated</i>	1,039,607	1,039,607	1,039,607	0
<i>Fund Balance End of Year</i>	<u>\$13,668,072</u>	<u>\$13,389,508</u>	<u>\$14,702,791</u>	<u>\$1,313,283</u>

See accompanying notes to the basic financial statements.

Anderson Township
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Fire District Fund
For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$7,696,000	\$7,687,848	\$7,687,846	(\$2)
Charges for Services	720,000	793,000	804,858	11,858
Intergovernmental	1,035,000	1,134,885	1,134,899	14
Other	169,000	41,000	42,143	1,143
<i>Total Receipts</i>	<u>9,620,000</u>	<u>9,656,733</u>	<u>9,669,746</u>	<u>13,013</u>
Disbursements				
Current:				
Public Safety	9,107,800	9,198,611	8,782,113	416,498
Capital Outlay	60,000	68,936	37,692	31,244
<i>Total Disbursements</i>	<u>9,167,800</u>	<u>9,267,547</u>	<u>8,819,805</u>	<u>447,742</u>
<i>Net Change in Fund Balance</i>	452,200	389,186	849,941	460,755
<i>Fund Balance Beginning of Year</i>	2,039,670	2,039,670	2,039,670	0
<i>Prior Year Encumbrances Appropriated</i>	<u>99,747</u>	<u>99,747</u>	<u>99,747</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,591,617</u></u>	<u><u>\$2,528,603</u></u>	<u><u>\$2,989,358</u></u>	<u><u>\$460,755</u></u>

See accompanying notes to the basic financial statements.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 1 – Reporting Entity

Anderson Township of Hamilton County, Ohio, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* (an amendment of GASB Statement No. 14), the accompanying financial statements include only the accounts and transactions of the Township. Under the criteria specified in these GASB Statements, the Township has no component units nor is it considered a component unit of the State of Ohio. The Township is considered, however, a political subdivision to the State of Ohio. These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Township is not financially accountable for any other organizations. This is evidenced by the fact that the Township is a legally and fiscally separate and distinct organization. The Township is solely responsible for its finances. The Township is empowered to issue debt payable solely from Township revenues.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if it appoints a voting majority of the organization's governing board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization's resources; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization. Based upon the application of these criteria, the Township has no component units.

The reporting entity is comprised of the primary government and the Township believes these financial statements present all activities for which the Township is financially accountable.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, cemetery maintenance, and fire protection services. The Township contracts with the Hamilton County Sheriff's Office to provide police protection.

Note 2 – Summary of Significant Accounting Policies

These financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets 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 assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township has no business-type operations.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash balance and net assets of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township'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 Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, 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 a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township 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 Township 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.

B. Fund Accounting

The Township 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. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance. The following are the Township's major governmental funds:

General Fund - This fund is used to account for all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fire District Fund - This fund receives tax money for operating expenses incurred by the Township's fire department, which is the primary source of revenue for this fund.

TIF Fund - This fund receives money in lieu of taxes for improvements to certain parcels of land, which is the primary source of revenue for this fund.

The other governmental funds of the Township account for debt service, capital projects, and grants and other resources whose use is restricted to a particular purpose.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township'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.

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 ordinance, 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 Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, function, and object level for all funds as is required by the ORC.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township fiscal 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 Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

Cash received by the Township is deposited into one of several bank accounts with individual fund balance integrity maintained. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. For 2011, interest earned of \$158,115 was allocated to the General Fund. For 2010, interest earned of \$187,981 was allocated to the General Fund.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase and Investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. All investments as of December 31, 2011 and 2010 were investments of the cash management pool.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Investments (continued)

The Township records all investments at cost and reports investments at cost. The Township has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2011 and 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011 and 2010.

During 2011 and 2010 the Township has also invested in Money Market Funds, Commercial Paper, Federal Home Loan Mortgage Corporation Securities, Federal Home Loan Bank Securities, and Federal National Mortgage Association Securities.

The Township has one certificate of deposit which is a cemetery bequest. The only money that can be spent from this certificate of deposit is the interest that is earned. This certificate of deposit is valued at cost.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Long-Term Obligations

The Township's cash basis basic 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.

I. Net Assets

Net cash assets represent the cash assets held by the Township at year end. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Restricted for Other Purposes is comprised of net assets restricted for grants. The Township applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net assets are available.

As of December 31, 2011 and 2010, none of the Township's net assets were restricted by enabling legislation.

J. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township 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 classification includes amounts that cannot be spent because they are not in the spendable form, or 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.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

J. Fund Balance (continued)

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Township Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Township Board of Trustees 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 Township 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 policies of the Township Board of Trustees.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Township 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 – 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 – Budgetary Basis presented for the general fund and all major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. Any differences between the budgetary basis and the cash basis are outstanding year end encumbrances and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The amount of encumbrances for the General Fund for the years ended December 31, 2011 and 2010 were \$487,520 and \$499,697, respectively. The amount of encumbrances for the Fire Fund for the years ended December 31, 2011 and 2010 were \$109,337 and \$58,294, respectively. As part of the Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, certain funds that were previously reported as special revenue funds are considered part of the General Fund on a cash basis. This includes the Unclaimed Monies Fund and the Zoning Fund. These funds were excluded from the budgetary presentation for the General Fund.

Note 4 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township 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 Township 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.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 – Deposits and Investments (continued)

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 monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or 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;
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 thirty days;
4. Bond and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
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. Securities lending agreements in which the Township lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the Township's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the Township's total average portfolio.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Township by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

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

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 – Deposits and Investments (continued)

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Township’s deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The Township’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateralization of public funds.

Deposits:

At December 31, 2011 and 2010, the Township’s bank balances of \$21,826,073 and \$17,773,193, respectively, were either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner described above.

Investments:

At December 31, 2011 and 2010, the Township had the following investments:

Investment Type	Cost Value	Less Than One Year	One to Two Years	Three to Five Years
<u>2010</u>				
STAR Ohio	\$10,725,596	\$10,725,596	\$0	\$0
Fifth Third Institutional Government Money Market Fund	2,308,876	2,308,876	0	0
US Bank First American Treasury Obligations Money Market Fund	2,613,554	2,613,554	0	0
Total	\$15,648,026	\$15,648,026	\$0	\$0
<u>2011</u>				
STAR Ohio	\$5,731,544	\$5,731,544	\$0	\$0
FHLMC Securities	750,000	250,000	500,000	0
Federal National Mortgage Association Securities	500,000	0	500,000	0
Federal Home Loan Bank	750,000	250,000	0	500,000
US Bank First American Treasury Obligations Money Market Fund	626,863	626,863	0	0
Commercial Paper	5,300,000	5,300,000	0	0
Total	\$13,658,407	\$12,158,407	\$1,000,000	\$500,000

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township’s investment policy does not address interest rate risk beyond the requirements of the Ohio Revised Code.

Credit Risk. Credit risk is the risk that an issue or other counterparty to an investment will not fulfill its obligations. The Township’s policy places limitations on the types of investments the Township may invest in. The Township’s policy authorizes investment in allowable securities as outlined in Ohio Revised Code Section 135. The Township’s investments in FNMA, FHLB and FHLMC were each rated AA+ by Standard & Poor’s and AAA by Moody’s. The Fifth Third Institutional Government Money Market Fund was rated AAAM by Standard & Poor’s. The U.S. Bank First American Treasury Obligation Money Fund was rated AAA by Standard & Poor’s. The Commercial Paper was rated A-1 by Standard & Poor’s.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 – Deposits and Investments (continued)

Concentration of Credit Risk. The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of total of each investment type held by the Township at December 31, 2011 and 2010:

Investment Type	Cost Value	% of Total
<u>2010</u>		
STAR Ohio	\$10,725,596	69%
Fifth Third Institutional Government Money Market Fund	2,308,876	14%
US Bank First American Treasury Obligations Money Market Fund	2,613,554	17%
Total	<u>\$15,648,026</u>	<u>100%</u>
<u>2011</u>		
STAR Ohio	\$5,731,544	42%
FHLMC Securities	750,000	5%
Federal National Mortgage Association Securities	500,000	4%
Federal Home Loan Bank	750,000	5%
US Bank First American Treasury Obligations Money Market Fund	626,863	5%
Commercial Paper	5,300,000	39%
Total	<u>\$13,658,407</u>	<u>100%</u>

Custodial Credit Risk. Custodial credit risk is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Township's securities are either insured and registered in the name of the Township or at least registered in the name of the Township. The Township has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2011 represent the collection of 2010 taxes. Real property taxes received in 2011 were levied after October 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2011 represent the collection of 2011 taxes. Public utility real and tangible personal property taxes received in 2010 became a lien on December 31, 2009, were levied after October 1, 2010, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 5 – Property Taxes (continued)

Due to the phase out which began in 2005, the tangible personal property tax percentage fell to zero in 2009 for businesses. Therefore, Ohio no longer has a general tax on tangible personal property used in business. The tax temporarily applies to telephone and inter-exchange telecommunications companies, which is being passed out to 10% for 2009, 5% for 2010, and zero for 2011. After 2011, tangible personal property, exclusive of public utility tangible personal property, will not be subject to tax.

The full tax rate for all Township operations for the years ended December 31, 2011 and 2010 were \$14.57 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2011 and 2010 property tax receipts were based are as follows:

	2011	2010
Real Property		
Residential/Agricultural	\$1,045,182,810	\$1,133,935,720
Other	94,802,960	96,956,130
Public Utility Property		
Personal	22,625,760	20,794,080
Tangible Personal Property	0	894,660
Total Assessed Value	\$1,162,611,530	\$1,252,580,590

Note 6 – Risk Management

The Township 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. During 2011 and 2010 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTAMRA is as follows:

Legal Liability	\$10,000,000	Per Occurrence
Automobile Liability	10,000,000	Per Occurrence
Wrongful Acts	10,000,000	Per Occurrence
Property	29,871,000	Total Coverage
Boiler and Machinery	29,871,000	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
 - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 7 – Defined Benefit Pension Plans (continued)

- 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, and survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans.

The member contribution rates were 10.0%, 10.0%, and 10.0% for 2011, 2010, and 2009, respectively, for the Township. Public safety and law enforcement members contributed at a rate of 11.0%, 10.5%, and 10.1%, respectively.

The employer contribution rates were 14.0%, 14.0%, and 14.0%, of covered payroll for 2011, 2010, and 2009, respectively, for the Township. For both the law enforcement and public safety divisions, the employer contribution rates were 18.10%, 17.87%, and 17.63%, respectively.

The Township's contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$292,862, \$273,158, and \$254,481, respectively, which were equal to the required contributions for those years.

Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

For 2011, 2010 and 2009 plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The Township's contributions to OP&F for the years ending December 31, 2011, 2010, and 2009 were \$1,289,031, \$1,205,875, and \$1,184,243, respectively. The full amount has been contributed for 2011, 2010 and 2009.

Note 8 – Post-Employment Benefits

Ohio Public Employees Retirement System

- A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – 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 healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2011, the County contributed at 14.0% of covered payroll for local government employer units and 18.1% for public safety and law enforcement. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll for state and local employer unites and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS 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% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. For 2010, the employer contributions allocated to the health care plan from January 1 through February 28, 2010 and March 1 through December 31, 2010 were 5.5% and 5.0%, respectively. For 2009, the employer contributions allocated to the health care plan from January 1 through March 31, 2009 and April 1 through December 31 2009 were 7.0% and 5.5%, respectfully.

- C. The employer contributions that were used to fund post-employment benefits were \$83,671 for 2011, \$99,583 for 2010, and \$106,800 for 2009, which were equal to the required allocation for each year.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 8 – Post-Employment Benefits (continued)

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

Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employer Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post employment healthcare plan was established and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F board of trustees. The board of trustees authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2011, 2010 and 2009, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F for the years ended December 31, 2011, 2010, and 2009 were \$1,289,031, \$1,205,875, and \$1,184,243, respectively, of which \$362,218, \$338,811, and \$409,748, respectively, was allocated to the healthcare plan. These allocations were equal to the required allocations for these years. The Fund's total health care expenses for the year ended December 31, 2010 (the latest information available) were \$159,913,915, which was net of member contributions of \$58,923,329.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 9 – Debt

The Township’s long-term debt activity for the year ended December 31, 2011 and 2010 was as follows:

	Interest Rate	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011	Due Within One Year
<u>Governmental Activities</u>						
OPWC - CB27E - Forrest	3.00%	\$ 201,059	\$ -	\$ 65,035	\$ 136,024	\$ 67,000
OPWC - CB20E - Ayershire, Wilshire, Sunray	3.00%	284,124	-	59,890	224,234	61,700
OPWC - CB07F - Sherman, Coolidge, Brooke, Shirmer	3.00%	388,453	-	81,881	306,572	84,356
OPWC - CB24F - Collinsdale	3.00%	341,848	-	72,058	269,790	74,236
Various Purpose Bonds	4.00%-					
	5.00%	23,215,000	-	1,900,000	21,315,000	1,975,000
		<u>\$ 24,430,484</u>	<u>\$ -</u>	<u>\$ 2,178,864</u>	<u>\$ 22,251,620</u>	<u>\$ 2,262,292</u>

	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Due Within One Year
<u>Governmental Activities</u>						
OPWC - CB27E - Forrest	3.00%	\$ 264,185	\$ -	\$ 63,126	\$ 201,059	\$ 65,035
OPWC - CB20E - Ayershire, Wilshire, Sunray	3.00%	342,257	-	58,133	284,124	59,890
OPWC - CB07F - Sherman, Coolidge, Brooke, Shirmer	3.00%	467,932	-	79,479	388,453	81,881
OPWC - CB24F - Collinsdale	3.00%	411,792	-	69,944	341,848	72,058
Various Purpose Bonds	4.00%-					
	5.00%	25,040,000	-	1,825,000	23,215,000	1,900,000
		<u>\$ 26,526,166</u>	<u>\$ -</u>	<u>\$ 2,095,682</u>	<u>\$ 24,430,484</u>	<u>\$ 2,178,864</u>

The Township was awarded \$730,202 by the Ohio Public Works Commission on July 1, 2001, for the Forrest Park Subdivision street improvements project in the form of a loan. The loan will be repaid in semi-annual payments of \$35,291 on January 1 and July 1 of each year for 10 years. The final payment is due on January 1, 2014. The loan is collateralized by Township tax revenue.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 9 – Debt (continued)

The Township was awarded \$583,458 by the Ohio Public Works Commission on July 1, 2001, for the Ayershire/Wilshire/Sunray street reconstruction project in the form of a loan. The loan will be repaid in semi-annual payments of \$33,984 on January 1 and July 1 of each year for 10 years. The final payment is due on July 1, 2015. The loan is collateralized by Township tax revenue.

The Township was awarded \$797,700 by the Ohio Public Works Commission on July 1, 2002, for the Sherman/Coolidge/Brooke/Shirmer storm sewer detention and paving project in the form of a loan. The loan will be repaid in semi-annual payments of \$46,463 of January 1 and July 1 of each year for 10 years. The final payment is due on July 1, 2015. This loan is collateralized by Township tax revenue.

The Township was awarded \$702,000 by the Ohio Public Works Commission on November 1, 2002 for the Collinsdale Drive reconstruction project in the form of a loan. The loan will be repaid in semi-annual payments of \$40,889 on January 1 and July 1 of each year for 10 years. The financial payment is due on July 1, 2015. The loan is collateralized by Township tax revenue.

On April 25, 2007, the Township issued \$29,470,000 in various purpose bonds to repay bond anticipation notes issued for construction of an administrative center. These bonds will mature in 2020 and require semi-annual payments due June 1 and December 1.

The following is a summary of the Township’s future annual debt service requirements as of December 31, 2011:

Year Ending December 30,	Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 1,975,000	\$ 988,770	\$ 2,963,770	\$ 287,292	\$ 25,960	\$ 313,252
2013	2,055,000	909,770	2,964,770	295,975	17,277	313,252
2014	2,135,000	827,570	2,962,570	233,812	8,860	242,672
2015	2,240,000	720,820	2,960,820	119,541	1,793	121,334
2016	2,335,000	625,620	2,960,620	-	-	-
2017-2020	10,575,000	1,274,480	11,849,480	-	-	-
Total	<u>\$ 21,315,000</u>	<u>\$ 5,347,030</u>	<u>\$26,662,030</u>	<u>\$ 936,620</u>	<u>\$ 53,890</u>	<u>\$ 990,510</u>

Note 10 – Interfund Transactions

There were no transfers during the year ended December 31, 2011. Transfers made during the year ended December 31, 2010, were as follows:

Interfund Transfers	Transfers In	Transfers Out
Major Fund:		
General Fund	\$ -	\$ 749
Total Major Fund	-	749
Non-Major Funds:		
Greenspace Fund	541	-
MVL Tax Fund	13	-
Gasoline Fund	48	-
Permissive MVL Tax Fund	147	-
Total Non-Major Funds	749	-
Total All Funds	<u>\$ 749</u>	<u>\$ 749</u>

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 11 – Contingent Liability

The Township is not party to any legal proceedings.

Note 12 - Changes in Accounting Principles

The Township has implemented Governmental Accounting Standard 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 this statement resulted in the reclassification of certain funds, and resulted in a beginning balance restatement as follows:

	General Fund	Other Governmental Funds
Balance January 1, 2010	\$ 15,564,872	\$ 8,603,380
Reclassification of fund	371,354	(371,354)
Restated Balance January 1, 2010	\$ 15,936,226	\$ 8,232,026

Note 13 – Fund Balances

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

Fund Balances 2011	General	Fire District	TIF	All Other Governmental	Total Governmental Funds
Nonspendable					
Unclaimed Monies	\$26	\$0	\$0	\$0	\$26
Restricted for					
Fire District	0	3,802,688	0	0	3,802,688
Police District	0	0	0	854,107	854,107
Road and Bridge	0	0	0	2,186,866	2,186,866
Other Purposes	0	0	0	1,032,517	1,032,517
Debt Services Payments	0	0	0	129,230	129,230
Capital Improvements	0	0	8,571,159	911,027	9,482,186
Total Restricted	0	3,802,688	8,571,159	5,113,747	17,487,594
Assigned to					
Other Purposes	487,520	0	0	0	487,520
Unassigned (Deficit)	16,876,142	0	0	0	16,876,142
Total Fund Balances	\$17,363,688	\$3,802,688	\$8,571,159	\$5,113,747	\$34,851,282

Anderson Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 13 – Fund Balances (continued)

Fund Balances 2010	General	Fire District	TIF	All Other Governmental	Total Governmental Funds
Nonspendable					
Unclaimed Monies	\$26	\$0	\$0	\$0	\$26
Restricted for					
Fire District	0	3,047,652	0	0	3,047,652
Police District	0	0	0	1,648,516	1,648,516
Debt Services Payments	0	0	0	94,000	94,000
Road and Bridge	0	0	0	2,111,046	2,111,046
Other Purposes	0	0	0	1,218,711	1,218,711
Capital Improvements	0	0	8,193,012	937,535	9,130,547
Total Restricted	<u>0</u>	<u>3,047,652</u>	<u>8,193,012</u>	<u>6,009,808</u>	<u>17,250,472</u>
Assigned to					
Other Purposes	499,697	0	0	0	499,697
Unassigned (Deficit)	<u>14,957,307</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,957,307</u>
Total Fund Balances	<u>\$15,457,030</u>	<u>\$3,047,652</u>	<u>\$8,193,012</u>	<u>\$6,009,808</u>	<u>\$32,707,502</u>



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
Hamilton County
7850 Five Mile Road
Cincinnati, Ohio 45230

To the Board of Trustees

We have audited the financial statements of governmental activities, each major fund and the aggregate remaining fund information of Anderson Township, Hamilton County (the Township), as of and for the years ended December 31, 2011 and December 31, 2010, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 30, 2012 wherein we noted that the Township followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America and implemented GASB Statement No.54. 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 Township'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 Township's internal controls over financial reporting. Accordingly, we have not opined on the effectiveness of the Township'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 Township'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.

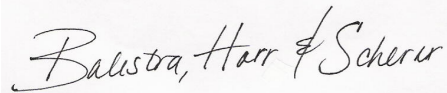
Compliance and Other Matters

As part of reasonably assuring whether the Township'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 Trustees
Anderson Township, 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 Trustees and others within the Township. 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.
May 30, 2012



Dave Yost • Auditor of State

ANDERSON TOWNSHIP

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
OCTOBER 2, 2012**