

Anderson Township Park District

Hamilton County

Regular Audit

January 1, 2008 through December 31, 2008

Years Audited Under GAGAS: 2008



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639
800 Gallia Street, Suite 38, Portsmouth, OH 45662 Phone: 740.876.9121 Fax: 800.210.2573



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Anderson Township Park District, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 17, 2010

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Anderson Township Park District
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For the Year Ended December 31, 2008

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Independent Auditor's Report

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Balestra, Harr & Scherer, CPAs, Inc.
June 30, 2010

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The discussion and analysis of the Anderson Township Park District's (the Park District) financial performance provides an overall review of the Park District's financial activities for the year ended December 31, 2008, within the limitations of the Park District's cash basis of accounting. The intent of this discussion and analysis is to look at the Park District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Park District's financial performance.

Financial Highlights

Key financial highlights for the year 2008 are as follows:

- Net assets increased \$347,443. This is primarily due to a reduction in staffing levels and careful spending.
- General receipts in the form of property taxes and unrestricted grants, gifts and donations, investment earnings, and miscellaneous make up total receipts of \$2,562,713. The Park District had program specific receipts of \$840,897.

Using the Basic Financial Statements

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

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

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

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

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
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Basis of Accounting

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

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

Reporting the Park District as a Whole

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

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

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

Reporting the Park District's Most Significant Funds

Fund Financial Statements

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

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Governmental Funds

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

The Park District as a Whole

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

Table 1
Net Assets – Modified Cash Basis

	Governmental Activities		
	2008	2007	Change
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$737,635	\$390,192	\$347,443
Net Assets:			
Restricted	124,020	124,020	0
Unrestricted	613,615	266,172	347,443
<i>Total Net Assets</i>	\$737,635	\$390,192	\$347,443

As mentioned previously, net assets increased \$347,443. The increase is due to a reduction in staffing levels and careful spending, along with decreased debt service payments.

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2 reflects the changes in net assets in 2008 and 2007.

Table 2			
Changes in Net Assets			
	Governmental Activities		
	2008	2007	Change
Receipts:			
Program Cash Receipts:			
Charges for Services	\$822,297	\$882,503	(\$60,206)
Operating Grants and Contributions	18,600	0	18,600
Total Program Cash Receipts	840,897	882,503	(41,606)
General Receipts:			
Property Taxes Levied for			
General Purposes	2,015,011	2,113,909	(98,898)
Grants and Entitlements not Restricted			
to Specific Programs	525,207	364,128	161,079
Gifts and Donations	6,666	22,421	(15,755)
Investment Earnings	15,179	4,276	10,903
Miscellaneous	650	0	650
Total General Receipts	2,562,713	2,504,734	57,979
<i>Total Receipts</i>	3,403,610	3,387,237	16,373
Disbursements:			
Conservation and Recreation	2,525,054	2,651,313	(126,259)
Debt Service:			
Principal Retirement	469,954	516,428	(46,474)
Interest and Fiscal Charges	61,159	79,158	(17,999)
Total Disbursements	3,056,167	3,246,899	(190,732)
<i>Change in Net Assets</i>	347,443	140,338	207,105
<i>Net Assets at Beginning of Year</i>	390,192	249,854	
<i>Net Assets at End of Year</i>	\$737,635	\$390,192	

In 2008, 75 percent of the Park District's total receipts were from general receipts, consisting mainly of property taxes levied for general Park District purposes. The other 25 percent of the Park District's total receipts were from program specific receipts consisting of charges for services, fees, and operating grants and contributions. Investment earnings increased as a result of having a larger amount of invested assets. The reduction in conservation and recreation expenditures is the result of a reduction in staffing levels and careful spending. Principal and Interest payments decreased as a result of lower scheduled debt service payments.

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Park District's Funds

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

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

At the end of 2008, the Park District's governmental funds reported total ending fund balances of \$737,635 of which \$709,294 is unreserved. The unreserved portion is not restricted and is available for spending. The remainder of fund balance is reserved to indicate it is not available for new spending.

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

The General Fund is the chief operating fund of the Park District. At the end of 2008, unreserved fund balance in the General Fund was \$585,274. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total General Fund expenditures. Unreserved fund balance represents 23.18 percent of the total General Fund expenditures.

Revenues exceeded expenditures in the General Fund by \$347,443 in 2008. Property taxes account for 51.7 percent of revenues in the General Fund. Intergovernmental revenues consist of payments from the township and state to the Park District. Conservation and recreation accounts for all of the expenditures in the General Fund.

General Fund Budgeting Highlights

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

During the course of 2008, the Park District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. For the General Fund, the final budget basis receipts estimated at year-end decreased from the original estimates prepared in January by \$26,110. Property taxes increased \$474,595 while all other receipts had a cumulative decrease of \$500,705. Actual receipts were \$15,340 higher than the final budgeted receipts.

Final appropriated expenditures were \$488,580 less than originally budgeted. Actual expenditures were \$183,339 less than the final budgeted amounts. The entire difference was the result of lower conservation and recreation expenditures.

Anderson Township Park District
Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Debt Administration

At December 31, 2008 the Park District had \$959,570 in general obligation bonds outstanding, of which \$473,667 is due within one year. Table 3 summarizes the bonds outstanding:

Table 3
Outstanding Debt, at Year-End

	2008	2007
Governmental Activities:		
G.O. Bonds 1997 04-A-01 - Beech Acres Park Purchase	\$175,000	\$200,000
G.O. Bonds 1998 05-A-01 - Clear Creek Park Turn Lane	273,686	320,530
G.O. Bonds 1998 05-B-01 - Johnson Park Purchase	135,884	158,994
G.O. Bonds 2002 06-A-01 - Beech Acres Park Development	375,000	750,000
<i>Total</i>	<u>\$959,570</u>	<u>\$1,429,524</u>

For more information on the Park District's debt, see Note 10 of the basic financial statements.

Contacting the Park District's Financial Management

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

Anderson Township Park District
Hamilton County
Statement of Net Assets - Cash Basis
December 31, 2008

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$737,635
Net Assets:	
Restricted for:	
Debt Service	124,020
Unrestricted	613,615
<i>Total Net Assets</i>	<u>\$737,635</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Conservation and Recreation	\$2,525,054	\$822,297	\$18,600	(\$1,684,157)
Debt Service:				
Principal Retirement	469,954	0	0	(469,954)
Interest and Fiscal Charges	61,159	0	0	(61,159)
<i>Total Governmental Activities</i>	<u>\$3,056,167</u>	<u>\$822,297</u>	<u>\$18,600</u>	<u>(2,215,270)</u>
General Receipts:				
Property Taxes Received for General Purposes				2,015,011
Grants and Entitlements not Restricted to Specific Programs				525,207
Gifts and Donations				6,666
Investment Earnings				15,179
Miscellaneous				650
<i>Total General Receipts</i>				<u>2,562,713</u>
<i>Change in Net Assets</i>				347,443
<i>Net Assets at Beginning of Year</i>				390,192
<i>Net Assets at End of Year</i>				<u>\$737,635</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2008

	General	Debt Service Fund	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$613,615	\$124,020	\$737,635
Fund Balances:			
Reserved for Encumbrances	\$28,341	\$0	\$28,341
Unreserved, Undesignated, Reported in:			
General Fund	585,274	0	585,274
Debt Service Fund	0	124,020	124,020
<i>Total Fund Balances</i>	<i>\$613,615</i>	<i>\$124,020</i>	<i>\$737,635</i>

See Accompanying Notes to the Basic Financial Statements

**Anderson Township Park District
Hamilton County**

*Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2008*

	General Fund	Debt Service Fund	Total Governmental Funds
Receipts:			
Property Taxes	\$1,483,898	\$531,113	\$2,015,011
Interest	15,179	0	15,179
Intergovernmental	525,207	0	525,207
Charges for Services	724,294	0	724,294
Fees	98,003	0	98,003
Miscellaneous	650	0	650
Contributions and Donations	25,266	0	25,266
<i>Total Receipts</i>	<u>2,872,497</u>	<u>531,113</u>	<u>3,403,610</u>
Disbursements:			
Current:			
Conservation and Recreation	2,525,054	0	2,525,054
Debt Service:			
Principal Retirement	0	469,954	469,954
Interest and Fiscal Charges	0	61,159	61,159
<i>Total Disbursements</i>	<u>2,525,054</u>	<u>531,113</u>	<u>3,056,167</u>
<i>Net Change in Fund Balances</i>	347,443	0	347,443
<i>Fund Balances at Beginning of Year</i>	266,172	124,020	390,192
<i>Fund Balances at End of Year</i>	<u>\$613,615</u>	<u>\$124,020</u>	<u>\$737,635</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property Taxes	\$1,009,303	\$1,483,898	\$1,483,898	\$0
Interest	20,394	14,500	15,179	679
Intergovernmental	708,745	524,666	525,207	541
Charges for Services	977,404	708,381	724,294	15,913
Fees	132,251	100,500	98,003	(2,497)
Miscellaneous	0	0	650	650
Contributions and Donations	35,170	25,212	25,266	54
<i>Total Receipts</i>	<u>2,883,267</u>	<u>2,857,157</u>	<u>2,872,497</u>	<u>15,340</u>
Disbursements:				
Current:				
Conservation and Recreation	<u>3,225,314</u>	<u>2,736,734</u>	<u>2,553,395</u>	<u>183,339</u>
<i>Net Change in Fund Balance</i>	(342,047)	120,423	319,102	198,679
<i>Fund Balance at Beginning of Year</i>	217,141	217,141	217,141	0
<i>Prior Year Encumbrances Appropriated</i>	<u>49,031</u>	<u>49,031</u>	<u>49,031</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>(\$75,875)</u>	<u>\$386,595</u>	<u>\$585,274</u>	<u>\$198,679</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 1 – Reporting Entity

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

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

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

A. Primary Government

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

B. Component Units

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

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Park District's accounting policies.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The Park District's basic financial statements consist of government-wide financial statements, including a Statement of Net Assets 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 Park District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Park District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

Fund Financial Statements

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

B. Fund Accounting

The Park District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Park District only presents one category of funds: governmental.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Funds

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

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

The Debt Service Fund accounts for resources the Park District accumulates to pay bond and note debt.

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 – Summary of Significant Accounting Policies (continued)

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

E. Cash and Investments

The Park District had no investments at December 31, 2008. Accordingly, the Park District does not record purchases of investments as disbursements or sales of investments as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Accumulated Leave

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

I. Employer Contributions to Cost-Sharing Pension Plans

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

J. Long-Term Obligations

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

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 – Summary of Significant Accounting Policies (continued)

K. Net Assets

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

L. Fund Balance Reserves

The Park District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

Note 3 – Compliance

The General Fund had original appropriations in excess of original estimated resources plus available fund balances for the fiscal year ended December 31, 2008 in the amount of \$75,875.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget-Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances which are treated as cash disbursements (budgetary basis) rather than as reservations of fund balance (cash basis), which represents amounts received but not included on the budgetary basis. The adjustment necessary to convert the results of operations for the year on the cash basis to the budget basis for the General Fund is as follows:

	General
Cash Basis	\$ 347,443
Encumbrances	(28,341)
Budget Basis	<u>\$ 319,102</u>

Note 5 – Deposits and Investments

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

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

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 5 – Deposits and Investments (continued)

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
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. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio); and,
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 5 – Deposits and Investments (continued)

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Park District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$250,000 of the Park District's bank balance of \$786,190 was covered by FDIC. None of the remaining balance \$536,190 was exposed to custodial credit risk because those deposits were collateralized 105% with securities held by the pledging financial institution's trust department or agent, in the Park District's name.

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

Note 6 – Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the Park District. Property tax revenue received during 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

2008 tangible personal property taxes are levied after October 1, 2007 on the value as of December 31, 2007. Collections are made in 2008. In prior years, tangible personal property assessments were 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 was 6.25 percent. This will be reduced to zero for 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all Park District operations for the year ended December 31, 2008, was \$2.28 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 6 – Property Taxes (Continued)

Category	Assessed Value
Real Property	\$1,157,500,000
Public Utility Personal	20,315,000
General Business Personal	13,120,000
Total	\$1,190,935,000

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

Note 7 – Risk Management

Ohio Government Risk Management Plan

The Park District belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15 percent casualty and the 10 percent property portions the Plan retains. The Plan retains the lesser of 15 percent or \$37,500 of casualty losses and the lesser of 10 percent or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	2008	2007
Assets	\$9,709,000	\$11,136,455
Liabilities	(4,612,000)	(4,273,553)
Total	\$5,097,000	\$6,862,902

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 7 – Risk Management (Continued)

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

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll.

The Park District's contribution rate for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the Park District's contribution was 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Park District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$88,421, \$89,684, and \$98,645, respectively; 100 percent has been contributed for 2008, 2007, and 2006.

Note 9 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 9 – Post-Employment Benefits (continued)

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Park District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$88,421, \$59,073, and \$48,250, respectively; 100 percent has been contributed for 2008, 2007, and 2006.

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.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 10 – Debt

The Park District’s long-term debt activity for the year ended December 31, 2008, was as follows:

	Principal Outstanding 12/31/07	Additions	Deductions	Principal Outstanding 12/31/08	Amounts Due Within One Year
<u>Governmental Activities</u>					
G.O. Bonds 1997 04-A-01 - Beech Acres Park	\$200,000	\$0	\$25,000	\$175,000	\$25,000
G.O. Bonds 1998 05-A-01 - Clear Creek Park Turn	320,530	0	46,844	273,686	49,297
G.O. Bonds 1998 05-B-01 - Johnson Park Purchase	158,994	0	23,110	135,884	24,370
G.O. Bonds 2002 06-A-01 - Beech Acres Park Dev.	750,000	0	375,000	375,000	375,000
Total Long-Term Obligations	<u>\$1,429,524</u>	<u>\$0</u>	<u>\$469,954</u>	<u>\$959,570</u>	<u>\$473,667</u>

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

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

The Park District issued a General Obligation Park Improvement Bond on September 2, 2002 in the amount of \$2,500,000 at 2.8 - 3.6 percent for a term of seven years to improve the parks. Interest and principal payments are due semi-annually to Fifth Third Bank. The bonds are collateralized by the property and will be paid for with property tax revenues.

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

Year	General Obligation Bonds	
	Principal	Interest
2009	\$473,667	\$43,108
2010	102,577	24,297
2011	106,695	18,779
2012	186,032	10,943
2013	90,599	3,576
Total	<u>\$959,570</u>	<u>\$100,703</u>

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

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 – Leases

Operating Leases

The Park District leases equipment to be used to maintain park property. Total costs were \$37,727 for the year ended December 31, 2008. The future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2009	\$37,727
2010	<u>37,727</u>
Total minimum lease payments	<u><u>\$75,454</u></u>



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson Township Park District, Hamilton County, (the District) as of and for the year ended December 31, 2008, which collectively comprise the Government's basic financial statements and have issued our report thereon dated June 30, 2010, wherein we noted that the District prepares its financial statements using the cash basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

Anderson Township Park District

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

Page 2

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated June 30, 2010.

We intend this report solely for the information and use of management and members of the Board. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
June 30, 2010



Mary Taylor, CPA
Auditor of State

ANDERSON TOWNSHIP PARK DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2010**