

***ANDERSON TOWNSHIP PARK DISTRICT***

**HAMILTON COUNTY, OHIO**

**AUDIT REPORT**

**For the Year Ended December 31, 2012**







# Dave Yost • Auditor of State

Board of Commissioners  
Anderson Township Park District  
8249 Clough Pike  
Cincinnati, Ohio 45244-2746

We have reviewed the *Report of Independent Accountants* of the Anderson Township Park District, Hamilton County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

September 19, 2014

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**ANDERSON TOWNSHIP PARK DISTRICT  
HAMILTON COUNTY  
AUDIT REPORT  
For the Year Ended December 31, 2012**

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

Anderson Township Park District  
Hamilton County  
8249 Clough Pike  
Cincinnati, Ohio 45244-2746

To the Board of Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Anderson Township Park District, Hamilton County, Ohio (the District), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Anderson Township Park District, Hamilton County, Ohio, as of December 31, 2012, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

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

***Other Matters***

***Supplemental and Other Information***


We audited to opine on the District's financial statements that collectively comprise its basic financial statements. *Management's Discussion & Analysis* includes tables of net position, changes in net position and outstanding debt. These tables provide additional analysis and are not a required part of the basic financial statements.

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 subjected this information to the auditing procedures we applied to 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2014 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
July 30, 2014



**Anderson Township Park District**  
**Hamilton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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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, 2012, 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 2012 are as follows:

- Net Position decreased \$495,838. This is primarily due to an increase in capital outlay in 2012 used for a new playground and shelter at the parks.
- General receipts in the form of property taxes, unrestricted grants, investment earnings, and miscellaneous make up general receipts of \$2,687,683. The Park District had program specific receipts of \$953,372.

### **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 Position – 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 Position and the Statement of Activities reflect how the Park District did financially during 2012, within the limitations of the cash basis of accounting. The Statement of Net Position – 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 Position – 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*  
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*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 position for 2012 compared to 2011 on a cash basis:

**Table 1**  
**Net Position – Cash Basis**

	Governmental Activities		
	2012	2011	Change
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$973,690	\$1,469,528	(\$495,838)
<b>Net Position:</b>			
Restricted	3,245	3,124	121
Unrestricted	970,445	1,466,404	(495,959)
<i>Total Net Position</i>	<u>\$973,690</u>	<u>\$1,469,528</u>	<u>(\$495,838)</u>

As mentioned previously, net position decreased \$495,838. The decrease is due to disbursements for a new playground at Juilfs Park and a shelter at Kellogg Park.

**Anderson Township Park District**  
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*Management's Discussion and Analysis*  
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Table 2 reflects the changes in net position in 2012 and 2011.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	2012	2011	Change
<b>Receipts:</b>			
Program Cash Receipts:			
Charges for Services	\$895,019	\$801,594	\$93,425
Operating Grants and Contributions	58,353	151,272	(92,919)
Total Program Cash Receipts	<u>953,372</u>	<u>952,866</u>	<u>506</u>
General Receipts:			
Property Taxes Levied for			
General Purposes	2,299,466	2,425,622	(126,156)
Grants and Entitlements not Restricted			
to Specific Programs	338,842	352,142	(13,300)
Investment Earnings	548	1,081	(533)
Miscellaneous	48,827	40,536	8,291
Proceeds From the Sale of Bonds	0	300,000	(300,000)
Total General Receipts	<u>2,687,683</u>	<u>3,119,381</u>	<u>(431,698)</u>
<i>Total Receipts</i>	<u>3,641,055</u>	<u>4,072,247</u>	<u>(431,192)</u>
<b>Disbursements:</b>			
Conservation and Recreation	3,115,473	3,370,732	(255,259)
Capital Outlay	506,515	118,394	388,121
Debt Service:			
Principal Retirement	449,586	374,343	75,243
Interest and Fiscal Charges	65,319	77,050	(11,731)
<i>Total Disbursements</i>	<u>4,136,893</u>	<u>3,940,519</u>	<u>196,374</u>
<i>Change in Net Position</i>	<u>(495,838)</u>	<u>131,728</u>	<u>(627,566)</u>
<i>Net Position at Beginning of Year</i>	<u>1,469,528</u>	<u>1,337,800</u>	<u>131,728</u>
<i>Net Position at End of Year</i>	<u>\$973,690</u>	<u>\$1,469,528</u>	<u>(\$495,838)</u>

In 2012, 74 percent of the Park District's total receipts were from general receipts, consisting mainly of property taxes levied for general Park District purposes. The remaining 26 percent of the Park District's total receipts were from program specific receipts consisting of charges for services, fees, and operating grants and contributions. The increase in capital outlay expenditures was the result of installing a new playground at Juilfs Park and a new shelter at Kellogg Park. The decrease in property taxes is due to a decrease in assessed property values in Hamilton County.

**Anderson Township Park District**  
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*Management's Discussion and Analysis*  
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**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, unassigned 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 2012, the Park District's governmental funds reported total ending fund balances of \$973,690 of which \$896,385 is unassigned. The unassigned portion is not restricted and is available for spending. The remainder of fund balance is restricted or committed to indicate it is not available for new spending.

While the bulk of the governmental fund balances are not restricted in the governmental fund statements, they lead to restricted net position on the Statement of Net Position – 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 2012, unassigned fund balance in the General Fund was \$896,385. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund disbursements. Unassigned fund balance represents 24.75 percent of the total General Fund disbursements.

Disbursements exceeded receipts in the General Fund by \$495,959 in 2012. During 2012, the Park District installed a new Playground at Juilfs Park and added a new shelter at Kellogg Park. Property taxes account for 57.1 percent of receipts in the General Fund. Intergovernmental receipts consist of payments from the township and state to the Park District. Conservation and recreation, and capital outlay account for all of the disbursements in the General Fund.

The Debt Service Fund had a fund balance of \$3,245 at the end of 2012. The Debt Service Fund had principal retirements of \$449,586 and interest and fiscal charges of \$65,319.

**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 2012, 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 increased from the original estimates prepared in January by \$69,678. Charges for services decreased \$812 and all other receipts had a cumulative increase of \$68,866. Actual receipts were \$17,168 higher than the final budgeted receipts.

**Anderson Township Park District**  
**Hamilton County**  
*Management's Discussion and Analysis*  
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Final appropriated disbursements were \$296,472 lower than originally budgeted. Actual disbursements were \$76,257 less than the final budgeted amounts. The entire difference was the result of lower conservation and recreation disbursements combined with lower capital outlay disbursements.

**Debt Administration**

At December 31, 2012 the Park District had \$1,415,464 in general obligation bonds outstanding, of which \$366,237 is due within one year. Table 3 summarizes the bonds outstanding:

**Table 3**  
**Outstanding Debt, at Year-End**

	2012	2011
<b>Governmental Activities:</b>		
G.O. Bonds 1997 04-A-01 - Beech Acres Park Purchase	\$0	\$100,000
G.O. Bonds 1998 05-A-01 - Johnson Park Purchase	67,036	118,511
G.O. Bonds 1998 05-B-01 - Clear Creek Park Turn Lane	33,984	58,715
G.O. Bonds 2010 06-A-01 - Riverside Park	1,134,375	1,340,625
G.O. Bonds 2011 Clear Creek Park Expansion	180,069	238,005
<i>Total</i>	\$1,415,464	\$1,855,856

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

**Contacting the Park District's Financial Management**

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

**Anderson Township Park District**  
**Hamilton County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2012*

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	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$973,690</u>
<b>Net Position:</b>	
Restricted for:	
Debt Service	3,245
Unrestricted	970,445
<i>Total Net Position</i>	<u><u>\$973,690</u></u>

See Accompanying Notes to the Basic Financial Statements

**Anderson Township Park District**  
**Hamilton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2012*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental Activities:</b>				
Conservation and Recreation	\$3,115,473	\$895,019	\$58,353	(\$2,162,101)
Capital Outlay	506,515	0	0	(506,515)
Debt Service:				
Principal Retirement	449,586	0	0	(449,586)
Interest and Fiscal Charges	65,319	0	0	(65,319)
<i>Total Governmental Activities</i>	<u>\$4,136,893</u>	<u>\$895,019</u>	<u>\$58,353</u>	<u>(3,183,521)</u>
<b>General Receipts:</b>				
Property Taxes Received for General Purposes				2,299,466
Grants and Entitlements not Restricted to Specific Programs				338,842
Investment Earnings				548
Miscellaneous				48,827
<i>Total General Receipts</i>				<u>2,687,683</u>
<i>Change in Net Position</i>				(495,838)
<i>Net Position at Beginning of Year</i>				<u>1,469,528</u>
<i>Net Position at End of Year</i>				<u><u>\$973,690</u></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, 2012*

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	General Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$970,445	\$3,245	\$973,690
<b>Fund Balances:</b>			
Restricted	\$0	\$3,245	\$3,245
Committed	17,430	0	17,430
Assigned	56,630	0	56,630
Unassigned	896,385	0	896,385
<i>Total Fund Balances</i>	\$970,445	\$3,245	\$973,690

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, 2012*

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Receipts:</b>			
Property Taxes	\$1,784,440	\$515,026	\$2,299,466
Investment Earnings	548	0	548
Intergovernmental	372,292	0	372,292
Charges for Services	806,641	0	806,641
Fees	88,378	0	88,378
Miscellaneous	73,730	0	73,730
<i>Total Receipts</i>	<u>3,126,029</u>	<u>515,026</u>	<u>3,641,055</u>
<b>Disbursements:</b>			
Current:			
Conservation and Recreation	3,115,473	0	3,115,473
Capital Outlay	506,515	0	506,515
Debt Service:			
Principal Retirement	0	449,586	449,586
Interest and Fiscal Charges	0	65,319	65,319
<i>Total Disbursements</i>	<u>3,621,988</u>	<u>514,905</u>	<u>4,136,893</u>
<i>Net Change in Fund Balances</i>	(495,959)	121	(495,838)
<i>Fund Balances at Beginning of Year</i>	<u>1,466,404</u>	<u>3,124</u>	<u>1,469,528</u>
<i>Fund Balances at End of Year</i>	<u>\$970,445</u>	<u>\$3,245</u>	<u>\$973,690</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, 2012*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property Taxes	\$1,744,790	\$1,784,440	\$1,784,440	\$0
Investment Earnings	1,500	500	548	48
Intergovernmental	334,175	372,291	372,292	1
Charges for Services	792,718	791,906	806,641	14,735
Fees	83,000	88,136	88,378	242
Miscellaneous	83,000	71,588	73,730	2,142
<i>Total Receipts</i>	<u>3,039,183</u>	<u>3,108,861</u>	<u>3,126,029</u>	<u>17,168</u>
<b>Disbursements:</b>				
Current:				
Conservation and Recreation	3,483,603	3,234,875	3,169,785	65,090
Capital Outlay	585,174	537,430	526,263	11,167
<i>Total Disbursements</i>	<u>4,068,777</u>	<u>3,772,305</u>	<u>3,696,048</u>	<u>76,257</u>
<i>Excess of Receipts Under Disbursements</i>	(1,029,594)	(663,444)	(570,019)	93,425
<b>Other Financing Uses:</b>				
Other Financing Uses	(140,000)	0	0	0
<i>Net Change in Fund Balance</i>	(1,169,594)	(663,444)	(570,019)	93,425
<i>Fund Balance at Beginning of Year</i>	1,377,086	1,377,086	1,377,086	0
<i>Prior Year Encumbrances Appropriated</i>	89,318	89,318	89,318	0
<i>Fund Balance at End of Year</i>	<u>\$296,810</u>	<u>\$802,960</u>	<u>\$896,385</u>	<u>\$93,425</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, 2012*

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**Note 1 – Reporting Entity**

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

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

**A. Primary Government**

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

**B. Component Units**

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

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. 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, 2012*

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**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 Position-Cash Basis and a Statement of Activities-Cash Basis, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**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 and reports resources restricted for the payment of bond debt.

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 2 – Summary of Significant Accounting Policies** (continued)

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

**E. Cash and Investments**

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

**F. Inventory and Prepaid Items**

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

**G. Capital Assets**

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

**H. Accumulated Leave**

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

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

**I. Employer Contributions to Cost-Sharing Pension Plans**

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

**J. Long-Term Obligations**

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

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**K. Net Position**

Net Position is 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 resources are available.

**L. Fund Balance**

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Park Commissioners or a Park District official delegated that authority by resolution, or by State Statute.

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

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



**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 3 – Budgetary Basis of Accounting**

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

	<u>General</u>
Cash Basis	(\$495,959)
Encumbrances	<u>(74,060)</u>
Budget Basis	<u><u>(\$570,019)</u></u>

**Note 4 – Deposits and Investments**

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 4 – Deposits and Investments** (continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio or Ohio Local Governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio); and,
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$378,982 of the District's bank balance of \$1,034,039 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name

The 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 District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real and public utility personal property (used in business) located in the Park District. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

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

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 5 – Property Taxes** (continued)

property taxes are collected in and intended to finance 2013.

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.

Public utility personal property currently is assessed at varying percentages of true values; public utility real property is assessed at 35 percent of true value. 2012 public utility taxes which became a lien December 31, 2011, are levied after October 1, 2012 and are collected in 2013 with real property taxes.

The full tax rate for all Park District operations for the year ended December 31, 2012, was \$2.28 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$1,197,960,000
Public Utility Personal	16,635,000
Total	<u><u>\$1,214,595,000</u></u>

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

**Note 6 – Risk Management**

**Ohio Government Risk Management Plan**

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

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 6 – Risk Management** – (Continued)

(deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available).

	<u>2012</u>	<u>2011</u>
Assets	\$13,100,381	\$12,501,280
Liabilities	<u>(6,687,193)</u>	<u>(5,328,761)</u>
Members' Equity	<u>\$6,413,188</u>	<u>\$7,172,519</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

The Township pays the State Workers' Compensation System (the System) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

**Note 7 – Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

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

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 7 – Defined Benefit Pension Plan** – (Continued)

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 visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll. For 2012, member and employer contribution rates were consistent across all three plans.

The Park District's 2012 contribution rate was 14.0 percent, The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

The Park District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$113,600, \$108,043, and \$106,008, respectively. The full amount has been contributed for all three years.

**Note 8 – Post-Employment Benefits**

**Ohio Public Employees Retirement System**

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 8 – Post-Employment Benefits** (continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012.

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

The Park District’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$45,440, \$43,217, and \$58,893, respectively. The full amount has been contributed for all three years.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate four percent of the employer contributions toward the health care fund after the end of the transition period.

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 9 – Debt**

The Park District’s long-term debt activity for the year ended December 31, 2012, was as follows:

	Principal Outstanding 12/31/11	Additions	Deductions	Principal Outstanding 12/31/12	Amounts Due Within One Year
<u>Governmental Activities</u>					
G.O. Bonds 1997 04-A-01 - Beech Acres Park	\$100,000	\$0	\$100,000	\$0	\$25,000
G.O. Bonds 1998 05-A-01 - Johnson Park Purchase	124,091	0	57,055	67,036	54,595
G.O. Bonds 1998 05-B-01 - Clear Creek Park Turn	62,329	0	28,345	33,984	27,100
G.O. Bonds 2010 06-A-01 - Riverside Park	1,340,625	0	206,250	1,134,375	206,250
G.O. Bonds 2011 - Clear Creek Park Expansion	238,005	0	57,936	180,069	206,250
Total Long-Term Obligations	<u>\$1,865,050</u>	<u>\$0</u>	<u>\$449,586</u>	<u>\$1,415,464</u>	<u>\$519,195</u>

The beginning outstanding debt is understated by \$9,194.

The Park District issued a General Obligation Land Acquisition Bond on March 27, 1997, in the amount of \$1,200,000 at 5.15 percent interest for a term of 15 years for the acquisition of real property for the Park District. Interest and principal payments are due semi-annually to Fifth Third Bank. The bonds are collateralized by the property and will be paid with property tax revenues. The bond was retired in 2012.

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

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

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

**Anderson Township Park District**  
**Hamilton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**Note 9 – Debt** – (continued)

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

	General Obligation Bonds	
Year	Principal	Interest
2013	\$366,237	\$38,644
2014	266,267	35,904
2015	267,335	26,894
2016	206,250	17,867
2017	206,250	17,867
2018	103,125	1,985
Total	<u>\$1,415,464</u>	<u>\$139,161</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.

**Note 10 – Leases**

Operating Leases

The Park District leases equipment to be used to maintain park property. Total costs were \$118,677 for the year ended December 31, 2012. The future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2013	\$118,335
2014	<u>52,351</u>
	<u>\$170,686</u>

**Note 11 – Change in Accounting Principle**

For 2012, the Park District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Township’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.



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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Anderson Township Park District  
Hamilton County  
8249 Clough Pike  
Cincinnati, Ohio 45244-2746

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund and of the Anderson Township Park District, Hamilton County (the District), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 30, 2014, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

*Internal Control Over Financial Reporting*

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

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

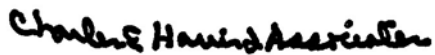
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

*Compliance and Other Matters*

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

*Purpose of this Report*

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



*Charles E. Harris & Associates, Inc.*  
July 30, 2014

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2011, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**ANDERSON TOWNSHIP PARK DISTRICT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 2, 2014**