



**ANDERSON TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ANDERSON TOWNSHIP PARK DISTRICT
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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Commissioners:

We have audited the accompanying financial statements of Anderson Township Park District, Hamilton County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2000 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 grants.

This report is intended solely for the information and use of the management, Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 28, 2000

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**ANDERSON TOWNSHIP PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$1,122,370	\$0	\$514,200	\$1,636,570
Intergovernmental	244,400			244,400
Charges for Services	431,504			431,504
Licenses, Permits, and Fees	45,934			45,934
Earnings on Investments	36,244			36,244
Other Revenue	194,762			194,762
Total Cash Receipts	<u>2,075,214</u>	<u>0</u>	<u>514,200</u>	<u>2,589,414</u>
Cash Disbursements:				
Current:				
General Government	577,405			577,405
Public Safety	16,216			16,216
Public Works	75,070			75,070
Health	76,421			76,421
Human Services	255,803			255,803
Personal Services	990,880			990,880
Contract Services	84,850			84,850
Supplies and Materials	332,835			332,835
Miscellaneous	240,767			240,767
Debt Service:				
Redemption of Principal	44,752		363,921	408,673
Interest and Fiscal Charges	2,223		150,279	152,502
Capital Outlay	85,792	124,499		210,291
Total Cash Disbursements	<u>2,783,014</u>	<u>124,499</u>	<u>514,200</u>	<u>3,421,713</u>
Total Receipts Over/(Under) Disbursements	<u>(707,800)</u>	<u>(124,499)</u>	<u>0</u>	<u>(832,299)</u>
Fund Cash Balances, January 1	1,292,141	124,499	0	1,416,640
Fund Cash Balances, December 31	<u>\$584,341</u>	<u>\$0</u>	<u>\$0</u>	<u>\$584,341</u>
Reserve for Encumbrances, December 31	<u>\$47,559</u>	<u>\$0</u>	<u>\$0</u>	<u>\$47,559</u>

The notes to the financial statements are an integral part of this statement.

**ANDERSON TOWNSHIP PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$1,183,631	\$0	\$422,959	\$1,606,590
Intergovernmental	296,974			296,974
Charges for Services	279,561			279,561
Licenses, Permits, and Fees	118,901			118,901
Earnings on Investments	41,324	2,000		43,324
Other Revenue	343,734			343,734
	<u>2,264,125</u>	<u>2,000</u>	<u>422,959</u>	<u>2,689,084</u>
Total Cash Receipts				
	<u>2,264,125</u>	<u>2,000</u>	<u>422,959</u>	<u>2,689,084</u>
Cash Disbursements:				
Current:				
General Government	97,803			97,803
Public Safety	17,229			17,229
Public Works	65,497			65,497
Health	71,816			71,816
Human Services	169,136			169,136
Personal Services	911,563			911,563
Contract Services	53,083			53,083
Supplies and Materials	367,244			367,244
Miscellaneous	217,987			217,987
Debt Service:				
Redemption of Principal	22,646		310,000	332,646
Interest and Fiscal Charges	2,141		112,959	115,100
Capital Outlay	474,875			474,875
	<u>2,471,020</u>	<u>0</u>	<u>422,959</u>	<u>2,893,979</u>
Total Cash Disbursements				
	<u>2,471,020</u>	<u>0</u>	<u>422,959</u>	<u>2,893,979</u>
Total Receipts Over/(Under) Disbursements	<u>(206,895)</u>	<u>2,000</u>	<u>0</u>	<u>(204,895)</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Bonds	970,000			970,000
	<u>970,000</u>			<u>970,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	763,105	2,000	0	765,105
Fund Cash Balances, January 1	<u>529,036</u>	<u>122,499</u>	<u>0</u>	<u>651,535</u>
Fund Cash Balances, December 31	<u><u>\$1,292,141</u></u>	<u><u>\$124,499</u></u>	<u><u>\$0</u></u>	<u><u>\$1,416,640</u></u>
Reserve for Encumbrances, December 31	<u><u>\$47,741</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$47,741</u></u>

The notes to the financial statements are an integral part of this statement.

**ANDERSON TOWNSHIP PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Anderson Township Park District, Hamilton County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board of Park Commissioners appointed by the Anderson Township Trustees. A clerk appointed by the Board of Park Commissioners is responsible for the fiscal control of the resources of the District, which are maintained in the funds described below. Services provided by the District include general maintenance of park facilities.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

This fund is used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The District had the following Special Revenue Fund:

Land Acquisition Fund - This fund receives monies from debt proceeds or transfers from the general fund for the acquisition of land for park expansion.

**ANDERSON TOWNSHIP PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Funds

Debt service funds are used to accumulate resources for the payment of bonds and note indebtedness. The District had the following Debt Service Funds:

Bond Fund 1995 - This fund receives property tax revenue from the county for principal and interest payments on the 1995 Park Improvement Bonds.

Bond Fund 1997 - This fund receives property tax revenue from the county for principal and interest payments on the 1997 Land Acquisition Bonds.

Bond Fund 1998 - This fund receives property tax revenue from the county for principal and interest payments on the 1998 Park Improvement and Land Acquisition Bonds.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation Leave

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the cash basis of accounting used by the District.

**ANDERSON TOWNSHIP PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$51,411</u>	<u>\$243,683</u>
Total deposits	<u>51,411</u>	<u>243,683</u>
STAROhio	<u>532,930</u>	<u>1,172,957</u>
Total investments	<u>532,930</u>	<u>1,172,957</u>
Total deposits and investments	<u><u>\$584,341</u></u>	<u><u>\$1,416,640</u></u>

A. Deposits

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

B. Investments

Investments in STAROhio is not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,998,134	\$2,075,214	\$77,080
Special Revenue	0	0	0
Debt Service	<u>514,200</u>	<u>514,200</u>	<u>0</u>
Total	<u><u>\$2,512,334</u></u>	<u><u>\$2,589,414</u></u>	<u><u>\$77,080</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,287,287	\$2,830,573	\$456,714
Special Revenue	124,499	124,499	0
Debt Service	<u>514,200</u>	<u>514,200</u>	<u>0</u>
Total	<u><u>\$3,925,986</u></u>	<u><u>\$3,469,272</u></u>	<u><u>\$456,714</u></u>

**ANDERSON TOWNSHIP PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,125,533	\$3,234,125	\$108,592
Special Revenue	2,000	2,000	0
Debt Service	422,959	422,959	0
Total	\$3,550,492	\$3,659,084	\$108,592

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,645,821	\$2,518,761	\$1,127,060
Special Revenue	124,499	0	124,499
Debt Service	422,959	422,959	0
Total	\$4,193,279	\$2,941,720	\$1,251,559

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Bonds - 1995	\$730,000	4.75%
General Obligation Bonds - 1997	1,000,000	5.10%
General Obligation Bonds - 1998	620,410	5.17%
General Obligation Bonds - 1998	305,668	5.38%

**ANDERSON TOWNSHIP PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

Lease-Purchase Agreement - Ford Van	7,251	variable
Lease-Purchase Agreement - Topdresser	6,020	variable
Lease-Purchase Agreement - Chevy Blazer	8,235	variable
Lease-Purchase Agreement - 2 Ford Trucks	<u>44,928</u>	variable
Total	<u><u>\$2,722,512</u></u>	

The District issued a General Obligation Park Improvement Bond on September 1, 1995, in the amount of \$1,550,000 at 4.75% for a term of seven years for improvements in parks and acquiring additional park land. Interest and principal payments are due semi-annually to Huntington Trust Company.

The District issued a Land Acquisition Bond on March 27, 1997, in the amount of \$1,200,000 at 5.1% for a term of fifteen years for the acquisition of real property for the District. Interest and principal payments are due semi-annually to Fifth Third Bank.

The District issued a General Obligation Park Improvement and Land Acquisition Bonds on July 22, 1998 and November 5, 1998, in the amounts of \$320,000 and \$650,000 respectively, at 5.38% and 5.17% 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 Firststar Bank.

The District entered into four lease-purchase agreements with Firststar Bank for the purchase of vehicles and equipment, three in 1998 and one in 1999. The agreements have annual payments for three years with the District owning the vehicles and equipment at the final payment.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Bonds 1995	General Obligation Bonds 1997	General Obligation Bonds 1998	General Obligation Bonds 1998
2000	\$264,675	\$149,800	\$62,817	\$31,358
2001	268,750	144,675	62,817	31,358
2002	267,113	139,525	62,817	31,358
2003	0	134,375	62,817	31,358
2004	0	129,225	62,817	31,358
Subsequent	<u>0</u>	<u>593,175</u>	<u>565,353</u>	<u>282,218</u>
Total	<u><u>\$800,538</u></u>	<u><u>\$1,290,775</u></u>	<u><u>\$879,438</u></u>	<u><u>\$439,008</u></u>

**ANDERSON TOWNSHIP PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

<u>Year ending December 31:</u>	<u>Lease Purchase - Ford Van</u>	<u>Lease Purchase - Topdresser</u>	<u>Lease Purchase - Chevy Blazer</u>	<u>Lease Purchase - Ford Trucks</u>
2000	\$7,635	\$6,339	\$8,672	\$24,329
2001	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,329</u>
Total	<u>\$7,635</u>	<u>\$6,339</u>	<u>\$8,672</u>	<u>\$48,658</u>

6. RETIREMENT SYSTEM

The District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, the District contributed the employees' shares of 8.5% and their share of 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

The District also provides health insurance and dental coverage to full-time employees through a private carrier.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Commissioners:

We have audited the accompanying financial statements of Anderson Township Park District, Hamilton County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated June 28, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 1999-40431-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, the reportable condition described above, item 1999-40431-001, is considered to be a material weakness.

Anderson Township Park District
Hamilton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 28, 2000.

This report is intended for the information and use of the management and Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized, cursive script.

Jim Petro
Auditor of State

June 28, 2000

**ANDERSON TOWNSHIP PARK DISTRICT
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-40431-001

Reportable Condition/Material Weakness

The District performed year-end closings and prepared annual financial reports without reconciling their cash balances to the general ledger for 1999. Reconciliations for fiscal year 1999 were not performed until June 20, 2000. The December 31, 1999 reconciliation showed several adjustments that were needed to the accounting system. Some of the adjustments on the reconciliation pertain to fiscal year 1998. Cash reconciliations are a pertinent function for governmental entities and provide useful information concerning errors or misappropriations of funds. A reconciliation should include all bank and investment accounts. Bank balances should be reconciled to the fund balances of the District's ledgers. Cash reconciliations should be performed and reviewed in a timely manner. This will provide management with an accurate position of the cash activity of the District, and help detect transaction errors. Errors found should be posted in a timely manner to the District's accounting system.



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
AUGUST 1, 2000**