

**ANDERSON TOWNSHIP PARK DISTRICT**

Hamilton County, Ohio

Regular Audit

January 1, 2007 through December 31, 2007

Fiscal Year Audited Under GAGAS: 2007

**BALESTRA, HARR & SCHERER, CPAs, INC.**

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Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Anderson Township Park District, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 20, 2008

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**Anderson Township Park District**  
**Hamilton County**  
*Basic Financial Statements*  
*Cash Basis*  
*For the Year Ended December 31, 2007*

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Independent Auditor's Report

Anderson District Park District  
8249 Cough Pike  
Cincinnati, Ohio 45244

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson District Park District, Hamilton County, Ohio, (the District) as of and for the year ended December 31, 2007 which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

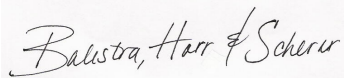
As described in Note 2C, the District has prepared these financial statements using cash basis accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Anderson Township Park District, Hamilton County, Ohio as of December 31, 2007, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, for the year then ended in conformity with the accounting basis described in Note 2C.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Anderson Township Park District  
Independent Auditors' Report

The Management's Discussion and Analysis on pages 3-8 is not required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.



Balestra, Harr & Scherer, CPAs, Inc.

September 30, 2008



**Anderson Township Park District**  
**Hamilton County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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The discussion and analysis of the Anderson Township Park District's financial performance provides an overall review of the Park District's financial activities for the year ended December 31, 2007, 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 2007 are as follows:

- Net assets increased \$140,338. This is primarily due to a significant increase in charges for services.
- General receipts in the form of property taxes and unrestricted grants, gifts, and donations, and interest make up total receipts of \$2,504,734. Park District had program specific receipts of \$882,503.
- The Park District had \$3,246,899 in disbursements during 2007.

**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, and entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and 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 explanation and detail regarding the information reported in the statements.

*Basis of Accounting*

The basis of accounting is a set of guidelines that determine when financial events are recorded. The 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.

**Anderson Township Park District**  
**Hamilton County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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

**Reporting the Park District as a Whole**

The statement of net assets and the statement of activities reflect how the Park District did financially during 2007, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the Park District at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws for 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 operation and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all 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.

*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.

**Anderson Township Park District**  
**Hamilton County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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**The Park District as a Whole**

Table 1 provides a summary of the Park District's net assets for 2007 compared to 2006 on a cash basis:

**Table 1**  
**Net Assets - Cash Basis**

	<b>Governemental Activities</b>		
	<b>2007</b>	<b>2006</b>	<b>Change</b>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 390,192	\$ 249,854	\$ 140,338
Net Assets			
Restricted	124,020	123,113	907
Unrestricted	266,172	126,741	139,431
Total Net Assets	\$ 390,192	\$ 249,854	\$ 140,338

As mentioned previously, net assets increased \$140,338. The increase is primarily due to a significant increase in charges for services.

**Anderson Township Park District**  
**Hamilton County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

Table 2 reflects the change in net assets in 2007. A comparative analysis of government-wide data has been presented.

**Table 2**  
**Change in Net Assets**

	<b>Governmental Activities</b>	
	2007	2006
<b>Receipts</b>		
Program Cash Receipts		
Charges for Services	\$ 882,503	\$ 744,834
General Receipts		
Property Taxes Levied for		
General Purposes	2,113,909	2,159,092
Grants and Entitlements not Restricted		
to Specific Programs	364,128	346,364
Investment Earnings	4,276	635
Gifts and Donations	22,421	49,222
Total General Receipts	<u>2,504,734</u>	<u>2,555,313</u>
<b>Total Receipts</b>	<u>3,387,237</u>	<u>3,300,147</u>
<b>Disbursements</b>		
Conservation and recreation	2,651,313	2,584,640
Debt Service:		
Principal Retirement	516,428	513,079
Interest and Fiscal Charges	79,158	79,982
<b>Total Disbursements</b>	<u>3,246,899</u>	<u>3,177,701</u>
<b>Change in Net Assets</b>	140,338	122,446
<b>Net Assets Beginning of Year</b>	<u>249,854</u>	<u>127,408</u>
<b>Net Assets End of Year</b>	<u>\$ 390,192</u>	<u>\$ 249,854</u>

In 2007, 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 other 26 percent of the Park Districts total receipts were from program specific receipts consisting of charges for services and fees.

**Anderson Township Park District**  
**Hamilton County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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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, unreserved fund balance may serve as a useful measure of the Park District's net resources available for spending at the end of the year.

At the end of 2007, the Park District's governmental funds reported total ending fund balances of \$390,192. \$341,161 of the total is unreserved fund balance, which is available for spending. The remainder of fund balance is reserved to indicate it is not available for new spending.

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

The general fund is the chief operating fund of the Park District. At the end of 2007, unreserved fund balance in the general fund was \$217,141. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total general fund expenditures. Unreserved fund balance represents 8.2% of total general fund expenditures.

Revenues exceeded expenditures in the general fund by \$139,431 in 2007. Property taxes account for 54.4% of revenues in the general fund. Intergovernmental revenues consist of payments from the townships, villages and cities in the Park District. Conservation and recreation accounts for all of the expenditures in the general fund.

**General Fund Budgeting Highlights**

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

During the course of 2007, 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 estimate decreased \$816,173 from original estimates. Final appropriated expenditures decreased by \$1,018,355 from original budgeted expenditures.

**Anderson Township Park District**  
**Hamilton County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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**Debt Administration**

At December 31, 2007 the Park District had \$1,945,952 in general obligation bonds outstanding, of which \$516,428 is due within one year. Table 3 summarizes the bonds outstanding:

Table 3  
Outstanding Debt, at Year-End

	<u>2007</u>	<u>2006</u>
General Obligation Bonds 1997	\$ 200,000	\$ 300,000
General Obligation Bonds 1998	320,530	365,042
General Obligation Bonds 1998	158,994	180,910
General Obligation Bonds 2002	<u>750,000</u>	<u>1,100,000</u>
Total	<u>\$ 1,429,524</u>	<u>\$ 1,945,952</u>

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 and of the information in this report or requests for additional information should be directed to Bailey Martella, Financial Officer, at Anderson Township Park District, 8249 Clough Pike, Cincinnati, Ohio 45244-2746, or email at [bmartella@andersonparks.com](mailto:bmartella@andersonparks.com).

**Anderson Township Park District**  
**Hamilton County**  
*Statement of Net Assets – Cash Basis*  
*December 31, 2007*

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	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 390,192
<b>Net Assets:</b>	
Restricted for:	
Debt Service	124,020
Unrestricted	266,172
<i>Total Net Assets</i>	<u>\$ 390,192</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, 2007*

	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services
	Total Governmental Activities	
<b>Governmental Activities:</b>		
Conservation and Recreation	\$ 2,651,313	\$ 882,503
Debt Service:		
Principal Retirement	516,428	-
Interest and Fiscal Charges	79,158	-
<i>Total Governmental Activities</i>	3,246,899	882,503
<b>General Receipts</b>		
Property Taxes Levied for:		
General Purposes		2,113,909
Grants and Entitlements not Restricted		364,128
Gifts and Donations		22,421
Investment Earnings		4,276
<i>Total General Receipts</i>		2,504,734
<i>Change in Net Assets</i>		140,338
<i>Net Assets at Beginning of Year</i>		249,854
<i>Net Assets at End of Year</i>		\$ 390,192

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, 2007*

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	<u>General Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	266,172	124,020	390,192
<b>Fund Balances:</b>			
Reserved for Encumbrances	49,031	-	49,031
Unreserved, Undesignated, Reported in:			
General Fund	217,141	-	217,141
Debt Service Funds	-	124,020	124,020
<i>Total Fund Balances</i>	266,172	124,020	390,192

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, 2007*

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Receipts:</b>			
Property Taxes	\$ 1,517,416	\$ 596,493	\$ 2,113,909
Interest	4,276	-	4,276
Intergovernmental	364,128	-	364,128
Charges for Services	692,626	-	692,626
Fees	189,877	-	189,877
Contributions and Donations	22,421	-	22,421
<i>Total Receipts</i>	<u>2,790,744</u>	<u>596,493</u>	<u>3,387,237</u>
<b>Disbursements:</b>			
<b>Current:</b>			
Conservation and Recreation	2,651,313	-	2,651,313
Debt Service:			
Principal Retirement	-	516,428	516,428
Interest and Fiscal Charges	-	79,158	79,158
<i>Total Disbursements</i>	<u>2,651,313</u>	<u>595,586</u>	<u>3,246,899</u>
<i>Net Change in Fund Balances</i>	139,431	907	140,338
<i>Fund Balances at Beginning of Year</i>	126,741	123,113	249,854
<i>Fund Balances at End of Year</i>	<u>\$ 266,172</u>	<u>\$ 124,020</u>	<u>\$ 390,192</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$ 1,737,203	\$ 1,517,416	\$ 1,517,416	\$ -
Interest	4,200	2,554	4,276	1,722
Intergovernmental	616,164	340,085	364,128	24,043
Charges for Services	732,890	646,892	692,626	45,734
Fees	400,200	177,340	189,877	12,537
Contributions and Donations	30,000	20,197	22,421	2,224
<i>Total Receipts</i>	<u>3,520,657</u>	<u>2,704,484</u>	<u>2,790,744</u>	<u>86,260</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Conservation and Recreation	<u>3,676,691</u>	<u>2,658,336</u>	<u>2,700,344</u>	<u>(42,008)</u>
<i>Net Change in Fund Balance</i>	(156,034)	46,148	90,400	44,252
<i>Fund Balance at Beginning of Year</i>	38,280	38,280	38,280	-
<i>Prior Year Encumbrances Appropriated</i>	88,461	88,461	88,461	-
<i>Fund Balance at End of Year</i>	<u>\$ (29,293)</u>	<u>\$ 172,889</u>	<u>\$ 217,141</u>	<u>\$ 44,252</u>

See Accompanying Notes to the Basic Financial Statements

**NOTE 1 – REPORTING ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Anderson Township Park District, Hamilton County, Ohio (The Park District), as a body corporate and politic. 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 District's management believes these financial statements present all activities for which the Park District is financially accountable.

A. Primary Government

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

B. Component Units

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified 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.

A. Basis of Presentation

The Park District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Park District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the Park District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Park District has no business-type activities.

The statement of net assets presents the cash and investment balances of the governmental activities of the Park District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Park District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Park District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting 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 modified 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 separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Park District used 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.

Governmental Funds

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

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Basis of Accounting

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

As a result of the use of the 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 of 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.

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 that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Commissioners during the year.

E. Cash and Investments

The Park district had no investments as of December 31, 2007. 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. Restricted Assets

Assets are reported as restricted when limitation on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Park District had no restricted assets as of December 31, 2007.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. 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.

H. 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.

I. Accumulated Leave

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

J. 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.

K. Long-Term Obligations

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

L. Net Assets

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

The government-wide Statement of Net Assets reports \$124,020 of restricted net assets at December 31, 2007, none of which is restricted by enabling legislation.

M. Fund Balance Reserves

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transaction on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis) and unrecorded cash, which represents amounts received but not included on the budgetary basis. The encumbrances outstanding at year end (budgetary basis) amounted to the following differences in net change in fund balances:

	General
Cash Basis	\$ 139,431
Encumbrances	(49,031)
Budget	<u>\$ 90,400</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 no 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 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;



**NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)**

2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2); and
7. The State Treasurer's investment pool (STAROhio).

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 for deposits is the risk that in the event of bank failure, the Park District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$116,577 of the Park District's bank balance of \$451,125 was covered by FDIC. None of the remaining balance \$334,548 was exposed to custodial credit risk because those deposits were collateralized 105% with securities held by the pledging financial institution's trust department or agent, in the Park District's name.

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

**NOTE 5 – PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Park District. Property tax revenue received during 2007 for real public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personally property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in an intended to finance 2007.

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

**NOTE 5 – PROPERTY TAXES (CONTINUED)**

2007 tangible personal property taxes are levied after October 1, 2006 on the value as of December 31, 2007. Collections are made in 2007. In prior years, tangible personal property assessments were 25 percent of true value for capital assets and 23 percent of true value for inventory. Tangible personal property tax revenue received during calendar year 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the Township prior to December 31.

The full tax rate for all Park District operations for the year ended December 31, 2007 was \$2.28 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$1,148,514,000
Public Utility Tangible Personal Property	19,399,188
Tangible Personal Property	21,391,970
Total	\$1,189,305,158

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 21. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 21. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The 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**

**Risk Pool Membership**

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

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

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

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still

**NOTE 6 – RISK MANAGEMENT (CONTINUED)**

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:

	<u>2007</u>	<u>2006</u>
Assets	\$ 11,136,455	\$ 9,620,148
Liabilities	(4,273,553)	(3,329,620)
Member's Equity	<u>\$ 6,862,902</u>	<u>\$ 6,290,528</u>

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

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

A. 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 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 member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional 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 that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 21, 2007, all members contributed 9.5% of covered payroll.

The Park District's contribution rate for 2007 was 13.85 percent. The Park District's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate of 10 percent for members and 14 percent for employers.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

The Park District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007 and 2006 were \$89,684, \$98,645 and \$123,646 respectively; 100 percent has been contributed for 2007 and 2006.

**NOTE 8 – POSTEMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

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

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

Disclosures for health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (612) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5 percent of covered payroll from January 1 through June 30, 2007 and 6 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of health care benefits by the retiree or the retiree's 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, 2007, 2006 and 2005 were \$59,073, 48,250 and \$51,789 respectively; 100 percent has been contributed for 2007 and 2006.

On September 9, 2004 the OPERS Retirement Bond adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2007, January 1, 2007, and January 1, 2008, which allowed funds to be allocated to the health care plan.

Anderson Township Park District  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

**NOTE 9 – DEBT**

The Park District’s long-term debt activity for the year ended December 31, 2007, was as follows:

	Principal Outstanding 12/31/2006	Additions	Deductions	Principal Outstanding 12/31/2007	Amounts Due Within One Year
<u>Governmental Activities</u>					
General Obligation Bonds 1997 - 5.15%	300,000		100,000	200,000	25,000
General Obligation Bonds 1998 - 5.17%	365,042		44,512	320,530	46,844
General Obligation Bonds 1998 - 5.38%	180,910		21,916	158,994	23,111
General Obligation Bonds 2002 - variable%	1,100,000		350,000	750,000	375,000
Total Long-Term Obligations	<u>1,945,952</u>	<u>0</u>	<u>516,428</u>	<u>1,429,524</u>	<u>469,955</u>

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

The Park District issued 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 US Bank. The bonds are collateralized by the property.

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

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

General Obligation Bonds		
Year	Principal	Interest
2008	469,954	61,158
2009	473,667	43,108
2010	102,577	24,297
2011	106,695	18,779
2012	186,032	10,943
2013	90,599	3,576
Total	<u>\$ 1,429,524</u>	<u>\$ 161,861</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 the total voted and unvoted net of debt of the Park District less the same exempt shall never exceed amount equal to 10.5 percent of its tax valuation.

Anderson Township Park District  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**NOTE 10 – LEASES**

Operating Leases

The Park District entered into equipment leases in 2007 to maintain park property. Total costs were \$103,679 for the year ended December 31, 2007. The minimum lease payments for this lease are as follows:

<u>Year Ending December 31,</u>	
2008	\$ 37,727
2009	37,727
2010	<u>37,727</u>
Total Minimum Lease Payments	<u>\$ 113,181</u>

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## **Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit Of Financial Statements Performed in Accordance With *Government Auditing Standards***

Anderson Township Park District  
8249 Clough Pike  
Cincinnati, Ohio 45244

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Anderson District Park District, Hamilton County, Ohio, (the District) as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 30, 2008, wherein we noted that the District prepares its financial statements using the cash basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the accounting basis described in Note 2C such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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

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

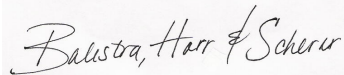
We noted a certain internal control deficiency which we have reported to management in a separate letter dated September 30, 2008.

### **Compliance and Other Matters**

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 grant agreements, 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*.

We noted certain instances of non-compliance and other matters which we have reported to management in a separate letter dated September 30, 2008.

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



Balestra, Harr & Scherer, CPAs, Inc.  
September 30, 2008





**Mary Taylor, CPA**  
Auditor of State

**ANDERSON TOWNSHIP PARK DISTRICT**  
**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**NOVEMBER 6, 2008**