

**Anderson Township  
Hamilton County**

Regular Audit

For the Years Ended December 31, 2007 and 2006  
Fiscal Years Audited Under GAGAS: 2007 and 2006

**BALESTRA, HARR & SCHERER, CPAs, INC.**  
528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

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Telephone (740) 289-4131  
Fax (740) 289-3639, [www.bhsepas.com](http://www.bhsepas.com)





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Anderson Township, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2006 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. Anderson Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 24, 2009

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**Anderson Township**  
**Hamilton County, Ohio**  
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For the Years Ended December 31, 2007 and 2006

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Fax (740) 289-3639

[www.bhscpas.com](http://www.bhscpas.com)

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson Township, Hamilton County, Ohio, (the Township) as of and for the years ended December 31, 2007 and 2006 which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our 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 discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson Township, Hamilton County, Ohio as of December 31, 2007 and 2006, and the respective changes in modified cash basis financial position and the respective budgetary comparisons for the General Fund and major special revenue fund, for the years then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Anderson Township  
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.

October 31, 2008



**Anderson Township, Hamilton County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2007 and 2006*  
*Unaudited*

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This discussion and analysis of Anderson Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006 within the limitations of the Township's modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2007 and 2006 are as follows:

Net assets of governmental activities decreased \$16,254,125, or 28.7%, between 2006 and 2007. Net assets increased \$28,123,452, or 98.4%, between 2005 and 2006.

The Township's general receipts are primarily property taxes, payments in lieu of taxes, and grants. These receipts represent 19.6%, 12.3%, and 6.5%, respectively, of the total cash received for governmental activities during 2007. These receipts represent 16.4%, 14.4%, and 6.4% of total cash received for governmental activities during 2006. In addition, the Township also issued bonds and notes in the amounts of \$29,470,000 and \$30,315,000, respectively, during 2007 and 2006.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

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

**Basis of Accounting**

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

As a result of using the modified 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 modified cash basis of accounting.

**Anderson Township, Hamilton County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2007 and 2006*  
*Unaudited*

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**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of modified cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or activity draws from the Township's general receipts.

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

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

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

**Reporting the Township's Most Significant Funds**

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

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2007 are the General fund, Fire District fund, Debt Service fund, Permanent Improvement fund, and TIF fund. The Township's major governmental funds for 2006 are the General fund, Fire District fund, Permanent Improvement fund, and TIF fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the government-wide statements.

**Anderson Township, Hamilton County**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2007 and 2006  
Unaudited

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007, compared with 2006 on a modified cash basis:

Table 1	Governmental Activities	
	2007	2006
Assets		
Cash and Investments	\$40,439,494	\$56,693,619
Total Assets	\$40,439,494	\$56,693,619
Net Assets		
Restricted	\$23,617,284	\$40,884,108
Unrestricted	16,822,210	15,809,511
Total Net Assets	\$40,439,494	\$56,693,619

As mentioned previously, net assets of governmental activities decreased \$16,254,125, or 28.7%, during 2007, and increased \$28,123,452, or 98.4%, during 2006. These changes are a result of changes in receipts and disbursements between years, which will be discussed further with Table 2 below.

Table 2 reflects the changes in net assets in 2007 and 2006.

Table 2	Governmental Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$1,419,927	\$1,290,896
Operating Grants and Contributions	324,345	320,024
Capital Grants and Contributions	845,147	932,040
Total Program Receipts	2,589,419	2,542,960
General Receipts:		
Property and Other Taxes	11,512,023	9,414,455
Grants and Entitlements not Restricted to Specific Programs	3,847,893	3,638,504
Payments in Lieu of Taxes	7,243,290	8,148,250
Bonds and Notes Issued	29,470,000	30,315,000
Premium on Bonds and Notes Issued	1,138,328	291,327
Interest	3,031,378	1,941,625
Miscellaneous	259,288	674,295
Total General Receipts	56,502,200	54,423,456
Total Receipts	59,091,619	56,966,416
Disbursements:		
General Government	2,975,540	2,536,148
Public Safety	9,703,305	9,037,577
Public Works	2,240,710	1,953,779
Health	90,076	89,577
Conservation-Recreation	20,977	18,856
Capital Outlay	26,181,250	14,809,851
Debt Service:		
Principal	31,565,383	253,120
Interest	2,291,694	74,686
Bond and Notes Issuance Costs	276,809	69,370
Total Disbursements	75,345,744	28,842,964
Change in Net Assets	(16,254,125)	28,123,452
Beginning Net Assets	56,693,619	28,570,167
Ending Net Assets	\$40,439,494	\$56,693,619

**Anderson Township, Hamilton County**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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The increase in property taxes is due to an additional tax levy.

For 2007 and 2006, program receipts represent only 4.4% and 4.5%, respectively, of total receipts and are comprised of charges for services and sales, operating grants and contributions and capital grants and contributions.

For 2007 and 2006, general receipts represent 95.6% and 95.5%, respectively, of the Township's total receipts, and of these amounts, nearly 52.2% and 55.7%, respectively, are proceeds from notes issued. Property and other tax receipts represent 19.5% and 16.5%, respectively, of total receipts. Payments in lieu of taxes comprised 12.8% and 15.0%, respectively, of the Township's general receipts. Unrestricted grants and entitlements comprised 6.8% and 6.7%, respectively, and interest comprised 5.4% and 3.6%, respectively, of general receipts. Interest increased significantly each year due to increased cash on hand throughout each year due to proceeds of notes held as capital projects progressed.

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

Public Safety is the costs of fire protection services which increased in 2007 due to additional services being provided. Public Works is the cost of maintaining and repairing roads, bridges, and similar items of the Township.

Cash disbursements for Capital Outlay increased \$11,371,399, or 76.8%, from 2006 to 2007 and \$5,977,574, 67.7%, from 2005 to 2006, primarily due to the construction and furnishing of a new Township administrative center.

Cash disbursements for Debt Service increased as the Township paid off a bond anticipation note in 2007.

**Governmental Activities**

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government, Public Safety and Public Works, which account for 16.4, 49.8 and 16.6 percent of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Total Cost Of Services 2007	Net Cost Of Services 2007	Total Cost Of Services 2006	Net Cost Of Services 2006
General Government	\$2,975,540	\$2,377,303	\$2,536,148	\$1,886,969
Public Safety	9,703,305	8,974,434	9,037,577	8,497,060
Public Works	2,240,710	1,828,456	1,953,779	1,538,693
Health	90,076	90,076	89,577	89,577
Conservation-Recreation	20,977	16,067	18,856	12,718
Capital Outlay	26,181,250	25,335,103	14,809,851	13,877,811
Debt Service:				
Principal	31,565,383	31,565,383	253,120	253,120
Interest	2,291,694	2,291,694	74,686	74,686
Bond and Note				
Issuance Costs	276,809	278,809	69,370	69,370
<b>Total Disbursements</b>	<b>\$75,345,744</b>	<b>\$72,756,325</b>	<b>\$28,842,964</b>	<b>\$26,300,004</b>

**Anderson Township, Hamilton County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2007 and 2006*  
*Unaudited*

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The dependence upon property and other tax receipts, payments in lieu of taxes, and unrestricted grants and entitlements is apparent as nearly 30.0% and 73.5% of 2007 and 2006 governmental activities are supported through these general receipts, respectively.

**The Township's Funds**

For 2007 and 2006, total governmental funds had receipts and other financing sources of \$60,656,634 and \$57,520,756, respectively, and disbursements and other financing uses of \$76,910,759 and \$29,397,304, respectively.

The fund balance of the General fund increased \$1,012,699 between 2006 and 2007. Interest receipts increased \$353,747 between 2006 and 2007 due to increased cash on hand. Other receipts decreased \$391,988 between 2006 and 2007 due to less lease income in 2007. General government expenditures increased \$409,215 between 2006 and 2007 primarily due to salary increases, some additional staffing, an increase in the pension rate and additional outside facilities maintenance. Transfers out increased \$1,218,114 between 2006 and 2007 which was primarily for debt service.

The fund balance of the Fire District fund decreased \$1,301,841 between 2006 and 2007. Public safety disbursements increased \$558,353 between 2006 and 2007 as the fire district provided additional services and expended surplus balances.

The fund balance of the Debt Service fund increased \$425,793 between 2006 and 2007. Proceeds from bonds were \$29,470,000 and debt service payments increased \$33,529,271 due to the repayment of existing bond anticipation notes. Property tax receipts increased \$2,178,985 due to a new tax levy for which collections began in 2007. Interest receipts increased \$157,977 due to increased cash on hand throughout the year.

The fund balance of the Permanent Improvement fund decreased \$17,327,310 between 2006 and 2007. Interest receipts increased \$578,029 due to increased cash on hand while note proceeds awaited disbursement. Capital outlay disbursements increased \$10,344,520 due to continued construction of the administrative center.

The fund balance of the TIF fund increased \$60,740 between 2006 and 2007. Intergovernmental and payments in lieu of taxes receipts decreased \$86,893 and \$904,960, respectively. Capital outlay disbursements increased \$1,161,199.

**General Fund Budgeting Highlights**

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

During 2007 and 2006, the Township amended its General Fund budget for intergovernmental and interest receipts. In 2007 actual receipts were fairly consistent with final budgeted receipts. In 2006 actual receipts were \$392,969 higher than budgeted receipts primarily due to intergovernmental receipts and interest receipts being higher than anticipated.

For 2007 and 2006, final budgeted disbursements and other financing uses were \$5,888,633 and \$3,786,259, respectively, while actual disbursements were \$4,529,426 and \$2,953,200, respectively, primarily due to lower expenditures than were anticipated for general government.

**Anderson Township, Hamilton County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2007 and 2006*  
*Unaudited*

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**Capital Assets and Debt Administration**

Capital Assets

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

Debt

At December 31, 2007 and 2006, the Township's outstanding debt included \$28,480,000 and \$30,315,000, respectively in bonds and notes outstanding for the construction of an administrative center. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

**Current Issues**

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

**Contacting the Township's Financial Management**

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

**Anderson Township, Hamilton County**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2007*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$40,439,494
<i>Total Assets</i>	40,439,494
 <b>Net Assets</b>	
Restricted for:	
Fire District	656,891
Permanent Improvements	5,426,871
Tax Increment Financing Projects	8,565,569
Road and Bridge	3,676,649
Police Services	2,804,467
Debt Service	801,608
Other Purposes	1,685,229
Unrestricted	16,822,210
<i>Total Net Assets</i>	\$40,439,494

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Activities - Modified 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 and Sales	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental Activities</b>					
General Government	\$2,975,540	\$598,237	\$0	\$0	(\$2,377,303)
Public Safety	9,703,305	728,871	0	0	(8,974,434)
Public Works	2,240,710	92,819	319,435	0	(1,828,456)
Health	90,076	0	0	0	(90,076)
Conservation-Recreation	20,977	0	4,910	0	(16,067)
Capital Outlay	26,181,250	0	0	845,147	(25,336,103)
Debt Service					
Principal	31,565,383	0	0	0	(31,565,383)
Interest	2,291,694	0	0	0	(2,291,694)
Bond Issuance Costs	276,809	0	0	0	(276,809)
<i>Total Governmental Activities</i>	<u>\$75,345,744</u>	<u>\$1,419,927</u>	<u>\$324,345</u>	<u>\$845,147</u>	<u>(72,756,325)</u>
<b>General Receipts</b>					
Property Taxes Levied for:					
General Purposes					112,591
Road & Bridge					2,028,206
Fire District					5,190,026
Police District					1,660,978
Permissive Motor Vehicle License					332,801
Debt Service					2,178,985
Other					8,436
Grants and Entitlements not Restricted to Specific Programs					3,847,893
Payments in Lieu of Taxes					7,243,290
Bonds Issued					29,470,000
Premium on Bonds Issued					1,138,328
Interest					3,031,378
Miscellaneous					259,288
<i>Total General Receipts</i>					56,502,200
Change in Net Assets					(16,254,125)
<i>Net Assets Beginning of Year</i>					56,693,619
<i>Net Assets End of Year</i>					\$40,439,494

See accompanying notes to the basic financial statements.



**Anderson Township, Hamilton County**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2006*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$56,693,619
<i>Total Assets</i>	56,693,619
 <b>Net Assets</b>	
Restricted for:	
Fire District	1,958,732
Permanent Improvements	22,754,181
Tax Increment Financing Projects	8,504,829
Road and Bridge	3,095,139
Police Services	2,681,905
Debt Service	375,815
Other Purposes	1,513,507
Unrestricted	15,809,511
<i>Total Net Assets</i>	\$56,693,619

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Activities - Modified Cash Basis*  
For the Year Ended December 31, 2006

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$2,536,148	\$649,179	\$0	\$0	(\$1,886,969)
Public Safety	9,037,577	540,517	0	0	(8,497,060)
Public Works	1,953,779	101,200	313,886	0	(1,538,693)
Health	89,577	0	0	0	(89,577)
Conservation-Recreation	18,856	0	6,138	0	(12,718)
Capital Outlay	14,809,851	0	0	932,040	(13,877,811)
Debt Service					
Principal	253,120	0	0	0	(253,120)
Interest	74,686	0	0	0	(74,686)
Note Issuance Costs	69,370	0	0	0	(69,370)
<i>Total Governmental Activities</i>	<u>\$28,842,964</u>	<u>\$1,290,896</u>	<u>\$320,024</u>	<u>\$932,040</u>	<u>(26,300,004)</u>
<b>General Receipts</b>					
Property Taxes Levied for:					
General Purposes					113,895
Road & Bridge					2,038,978
Fire District					5,211,778
Police District					1,670,098
Permissive Motor Vehicle License					379,706
Grants and Entitlements not Restricted to Specific Programs					3,638,504
Payments in Lieu of Taxes					8,148,250
Notes Issued					30,315,000
Premium on Notes Issued					291,327
Interest					1,941,625
Miscellaneous					674,295
<i>Total General Receipts</i>					<u>54,423,456</u>
Change in Net Assets					28,123,452
<i>Net Assets Beginning of Year</i>					<u>28,570,167</u>
<i>Net Assets End of Year</i>					<u>\$56,693,619</u>

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2007*

	General	Fire District Fund	General Bond Retirement Fund	Permanent Improvement Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$16,822,210	\$656,891	\$801,608	\$5,426,871	\$8,565,569	\$8,166,345	\$40,439,494
<i>Total Assets</i>	<u>16,822,210</u>	<u>656,891</u>	<u>801,608</u>	<u>5,426,871</u>	<u>8,565,569</u>	<u>8,166,345</u>	<u>40,439,494</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	608,608	127,443	0	4,006,890	5,033,554	1,065,175	10,841,670
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	16,213,602	0	0	0	0	0	16,213,602
Special Revenue Funds	0	529,448	0	0	0	7,101,170	7,630,618
Debt Service Fund	0	0	801,608	0	0	0	801,608
Capital Projects Funds	0	0	0	1,419,981	3,532,015	0	4,951,996
<i>Total Fund Balances</i>	<u>\$16,822,210</u>	<u>\$656,891</u>	<u>\$801,608</u>	<u>\$5,426,871</u>	<u>\$8,565,569</u>	<u>\$8,166,345</u>	<u>\$40,439,494</u>

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Fire District Fund	Debt Service Fund	Permanent Improvement Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$112,591	\$5,190,026	\$2,178,985	\$0	\$0	\$4,030,421	\$11,512,023
Charges for Services	0	728,871	0	0	0	0	728,871
Licenses, Permits and Fees	500,357	0	0	0	0	58,137	558,494
Fines and Forfeitures	39,743	0	0	0	0	0	39,743
Intergovernmental	2,687,410	654,913	0	0	845,147	829,915	5,017,385
Payments in Lieu of Taxes	0	0	0	0	7,243,290	0	7,243,290
Special Assessments	0	0	0	0	0	92,819	92,819
Interest	2,113,715	0	158,579	759,084	0	0	3,031,378
Other	88,309	98,782	10,882	0	0	61,315	259,288
<b>Total Receipts</b>	<b>5,542,125</b>	<b>6,672,592</b>	<b>2,348,446</b>	<b>759,084</b>	<b>8,088,437</b>	<b>5,072,607</b>	<b>28,483,291</b>
<b>Disbursements</b>							
Current:							
General Government	2,484,013	0	0	0	0	491,527	2,975,540
Public Safety	21,213	7,934,760	0	0	0	1,747,332	9,703,305
Public Works	79,013	0	0	0	0	2,161,697	2,240,710
Health	90,076	0	0	0	0	0	90,076
Conservation-Recreation	538	0	0	0	0	20,439	20,977
Capital Outlay	12,749	39,673	0	18,086,394	8,027,697	14,737	26,181,250
Debt Service:							
Principal Retirement	0	0	31,317,833	0	0	247,550	31,565,383
Interest and Fiscal Charges	0	0	2,225,992	0	0	65,702	2,291,694
Bond Issuance Costs	0	0	276,809	0	0	0	276,809
<b>Total Disbursements</b>	<b>2,687,602</b>	<b>7,974,433</b>	<b>33,820,634</b>	<b>18,086,394</b>	<b>8,027,697</b>	<b>4,748,984</b>	<b>75,345,744</b>
<i>Excess of Receipts Over (Under) Disbursements</i>	<b>2,854,523</b>	<b>(1,301,841)</b>	<b>(31,472,188)</b>	<b>(17,327,310)</b>	<b>60,740</b>	<b>323,623</b>	<b>(46,862,453)</b>
<b>Other Financing Sources (Uses)</b>							
Bonds Issued	0	0	29,470,000	0	0	0	29,470,000
Premium on Bonds Issued	0	0	1,138,328	0	0	0	1,138,328
Transfers In	0	0	1,289,653	0	0	552,171	1,841,824
Transfers Out	(1,841,824)	0	0	0	0	0	(1,841,824)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,841,824)</b>	<b>0</b>	<b>31,897,981</b>	<b>0</b>	<b>0</b>	<b>552,171</b>	<b>30,608,328</b>
<b>Net Change in Fund Balances</b>	<b>1,012,699</b>	<b>(1,301,841)</b>	<b>425,793</b>	<b>(17,327,310)</b>	<b>60,740</b>	<b>875,794</b>	<b>(16,254,125)</b>
<b>Fund Balances Beginning of Year</b>	<b>15,809,511</b>	<b>1,958,732</b>	<b>375,815</b>	<b>22,754,181</b>	<b>8,504,829</b>	<b>7,290,551</b>	<b>56,693,619</b>
<b>Fund Balances End of Year</b>	<b>\$16,822,210</b>	<b>\$656,891</b>	<b>\$801,608</b>	<b>\$5,426,871</b>	<b>\$8,565,569</b>	<b>\$8,166,345</b>	<b>\$40,439,494</b>

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$112,000	\$111,924	\$112,591	\$667
Licenses, Permits and Fees	410,503	553,901	500,357	(53,544)
Fines and Forfeitures	30,000	39,700	39,743	43
Intergovernmental	1,788,950	2,587,025	2,687,410	100,385
Interest	1,370,000	2,177,000	2,113,715	(63,285)
Other	49,000	79,800	88,309	8,509
<i>Total Receipts</i>	<u>3,760,453</u>	<u>5,549,350</u>	<u>5,542,125</u>	<u>(7,225)</u>
<b>Disbursements</b>				
Current:				
General Government	3,128,100	3,659,914	3,092,621	567,293
Public Safety	142,000	148,645	21,213	127,432
Public Works	82,000	82,000	79,013	2,987
Health	94,000	94,000	90,076	3,924
Conservation-Recreation	5,000	5,000	538	4,462
Capital Outlay	50,000	57,250	12,749	44,501
<i>Total Disbursements</i>	<u>3,501,100</u>	<u>4,046,809</u>	<u>3,296,210</u>	<u>750,599</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>259,353</u>	<u>1,502,541</u>	<u>2,245,915</u>	<u>743,374</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(430,000)	(1,841,824)	(1,841,824)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(430,000)</u>	<u>(1,841,824)</u>	<u>(1,841,824)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(170,647)</u>	<u>(339,283)</u>	<u>404,091</u>	<u>743,374</u>
<i>Fund Balance Beginning of Year</i>	<u>15,809,511</u>	<u>15,809,511</u>	<u>15,809,511</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,638,864</u>	<u>\$15,470,228</u>	<u>\$16,213,602</u>	<u>\$743,374</u>

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Fire District Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$5,245,000	\$5,189,900	\$5,190,026	\$126
Charges for Services	540,000	700,000	728,871	28,871
Intergovernmental	572,000	565,500	654,913	89,413
Other	38,000	95,000	98,782	3,782
<i>Total Receipts</i>	<u>6,395,000</u>	<u>6,550,400</u>	<u>6,672,592</u>	<u>122,192</u>
<b>Disbursements</b>				
Current:				
Public Safety	8,315,800	8,417,242	8,034,368	382,874
Capital Outlay	70,000	77,025	67,508	9,517
<i>Total Disbursements</i>	<u>8,385,800</u>	<u>8,494,267</u>	<u>8,101,876</u>	<u>392,391</u>
<i>Net Change in Fund Balance</i>	(1,990,800)	(1,943,867)	(1,429,284)	514,583
<i>Fund Balance Beginning of Year</i>	<u>1,958,732</u>	<u>1,958,732</u>	<u>1,958,732</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>(\$32,068)</u>	<u>\$14,865</u>	<u>\$529,448</u>	<u>\$514,583</u>

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	General	Fire District Fund	Permanent Improvement Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$15,809,511	\$1,958,732	\$22,754,181	\$8,504,829	\$7,666,366	\$56,693,619
<i>Total Assets</i>	<u>15,809,511</u>	<u>1,958,732</u>	<u>22,754,181</u>	<u>8,504,829</u>	<u>7,666,366</u>	<u>56,693,619</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	266,009	125,119	7,745,110	1,256,849	785,690	10,178,777
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	15,543,502	0	0	0	0	15,543,502
Special Revenue Funds	0	1,833,613	0	0	6,504,861	8,338,474
Debt Service Fund	0	0	0	0	375,815	375,815
Capital Projects Funds	0	0	15,009,071	7,247,980	0	22,257,051
<i>Total Fund Balances</i>	<u>\$15,809,511</u>	<u>\$1,958,732</u>	<u>\$22,754,181</u>	<u>\$8,504,829</u>	<u>\$7,666,366</u>	<u>\$56,693,619</u>

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2006*

	General	Fire District Fund	Permanent Improvement Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$113,895	\$5,211,778	\$0	\$0	\$4,088,782	\$9,414,455
Charges for Services	0	540,517	0	0	0	540,517
Licenses, Permits and Fees	561,202	0	0	0	47,724	608,926
Fines and Forfeitures	40,253	0	0	0	0	40,253
Intergovernmental	2,479,840	674,392	0	932,040	804,296	4,890,568
Payments in Lieu of Taxes	0	0	0	8,148,250	0	8,148,250
Special Assessments	0	0	0	0	101,200	101,200
Interest	1,759,968	0	181,055	0	602	1,941,625
Other	480,297	45,456	0	0	148,542	674,295
<i>Total Receipts</i>	<u>5,435,455</u>	<u>6,472,143</u>	<u>181,055</u>	<u>9,080,290</u>	<u>5,191,146</u>	<u>26,360,089</u>
<b>Disbursements</b>						
Current:						
General Government	2,074,798	0	0	0	461,350	2,536,148
Public Safety	52,860	7,376,407	0	0	1,608,310	9,037,577
Public Works	74,624	0	0	0	1,879,155	1,953,779
Health	89,577	0	0	0	0	89,577
Conservation-Recreation	328	0	0	0	18,528	18,856
Capital Outlay	37,303	119,669	7,741,874	6,866,498	44,507	14,809,851
Debt Service:						
Principal Retirement	0	0	0	0	253,120	253,120
Interest and Fiscal Charges	0	0	0	0	74,686	74,686
Note Issuance Costs	0	0	0	0	69,370	69,370
<i>Total Disbursements</i>	<u>2,329,490</u>	<u>7,496,076</u>	<u>7,741,874</u>	<u>6,866,498</u>	<u>4,409,026</u>	<u>28,842,964</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,105,965</u>	<u>(1,023,933)</u>	<u>(7,560,819)</u>	<u>2,213,792</u>	<u>782,120</u>	<u>(2,482,875)</u>
<b>Other Financing Sources (Uses)</b>						
Notes Issued	0	0	30,315,000	0	0	30,315,000
Premium on Notes Issued	0	0	0	0	291,327	291,327
Transfers In	0	0	0	0	623,710	623,710
Transfers Out	(623,710)	0	0	0	0	(623,710)
<i>Total Other Financing Sources (Uses)</i>	<u>(623,710)</u>	<u>0</u>	<u>30,315,000</u>	<u>0</u>	<u>915,037</u>	<u>30,606,327</u>
<i>Net Change in Fund Balances</i>	<u>2,482,255</u>	<u>(1,023,933)</u>	<u>22,754,181</u>	<u>2,213,792</u>	<u>1,697,157</u>	<u>28,123,452</u>
<i>Fund Balances Beginning of Year</i>	<u>13,327,256</u>	<u>2,982,665</u>	<u>0</u>	<u>6,291,037</u>	<u>5,969,209</u>	<u>28,570,167</u>
<i>Fund Balances End of Year</i>	<u>\$15,809,511</u>	<u>\$1,958,732</u>	<u>\$22,754,181</u>	<u>\$8,504,829</u>	<u>\$7,666,366</u>	<u>\$56,693,619</u>

See accompanying notes to the basic financial statements.



**Anderson Township, Hamilton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$101,000	\$114,869	\$113,895	(\$974)
Licenses, Permits and Fees	515,500	558,833	561,202	2,369
Fines and Forfeitures	30,000	37,456	40,253	2,797
Intergovernmental	1,633,600	2,374,950	2,479,840	104,890
Interest	1,108,000	1,426,299	1,759,968	333,669
Other	57,000	530,079	480,297	(49,782)
<i>Total Receipts</i>	3,445,100	5,042,486	5,435,455	392,969
<b>Disbursements</b>				
Current:				
General Government	3,123,850	2,755,159	2,312,232	442,927
Public Safety	90,000	86,500	61,860	24,640
Public Works	78,000	78,000	74,624	3,376
Health	91,000	91,000	89,577	1,423
Conservation-Recreation	10,000	10,000	9,128	872
Capital Outlay	117,000	132,000	48,078	83,922
<i>Total Disbursements</i>	3,509,850	3,152,659	2,595,499	557,160
<i>Excess of Receipts Over (Under) Disbursements</i>	(64,750)	1,889,827	2,839,956	950,129
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(633,600)	(633,600)	(623,710)	9,890
<i>Total Other Financing Sources (Uses)</i>	(633,600)	(633,600)	(623,710)	9,890
<i>Net Change in Fund Balance</i>	(698,350)	1,256,227	2,216,246	960,019
<i>Fund Balance Beginning of Year</i>	13,327,256	13,327,256	13,327,256	0
<i>Fund Balance End of Year</i>	\$12,628,906	\$14,583,483	\$15,543,502	\$960,019

See accompanying notes to the basic financial statements.

**Anderson Township, Hamilton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Fire District Fund*  
*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$5,005,000	\$5,315,428	\$5,211,778	(\$103,650)
Charges for Services	700,000	493,998	540,517	46,519
Intergovernmental	583,200	570,740	674,392	103,652
Other	51,000	44,366	45,456	1,090
<i>Total Receipts</i>	<u>6,339,200</u>	<u>6,424,532</u>	<u>6,472,143</u>	<u>47,611</u>
<b>Disbursements</b>				
Current:				
Public Safety	7,622,700	7,740,315	7,490,964	249,351
Capital Outlay	95,000	138,256	130,231	8,025
<i>Total Disbursements</i>	<u>7,717,700</u>	<u>7,878,571</u>	<u>7,621,195</u>	<u>257,376</u>
<i>Net Change in Fund Balance</i>	(1,378,500)	(1,454,039)	(1,149,052)	304,987
<i>Fund Balance Beginning of Year</i>	<u>2,982,665</u>	<u>2,982,665</u>	<u>2,982,665</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,604,165</u>	<u>\$1,528,626</u>	<u>\$1,833,613</u>	<u>\$304,987</u>

See accompanying notes to the basic financial statements.

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 1 – Reporting Entity**

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

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

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

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

**A. Primary Government**

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

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

These financial statements are presented on a modified cash basis of accounting. This modified 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.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

The statement of net assets presents the cash balance and net assets of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

**Fund Financial Statements**

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

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

**Governmental Funds**

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

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

Fire District Fund - This fund receives tax money for operating expenses incurred by the Township's fire department.

Permanent Improvement Fund - This fund is used to account for the construction project for the administrative center.

TIF Fund - This fund receives money in lieu of taxes for improvements to certain parcels of land.

General Bond/Note Retirement Fund - This fund is subsidized by the General Fund for the retirement of debt. This fund was only a major fund during fiscal year 2007.

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

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

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

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

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

**E. Cash and Investments**

Cash received by the Township is deposited into one of several bank accounts with individual fund balance integrity maintained. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. For 2007, interest earned of \$3,031,378 was allocated to the General Fund, Debt Service Fund and Permanent Improvement Fund in the amount of \$2,113,715, \$158,579, and \$759,084, respectively. For 2006, interest earned of \$1,941,625 was allocated to the General Fund and Permanent Improvement Fund in the amount of \$1,759,968 and \$181,055, respectively.

Cash received by the Township is pooled for investment purposes. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements. The Township records all investments at cost and reports investments at fair value. The Township has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2007 and 2006. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007 and December 31, 2006.

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

**E. Cash and Investments (continued)**

During 2006 and 2007 the Township has also invested in Federal Home Loan Corporation Notes, Federal Farm Credit Banks Bonds, Federal National Mortgage Association Notes, and Federal Home Loan Banks Bonds and Notes.

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

**F. Inventory and Prepaid Items**

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

**G. Capital Assets**

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

**H. Long-Term Obligations**

The Township's modified cash basis basic financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

**I. Net Assets**

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

As of December 31, 2007 and 2006, of the Township's restricted net assets of \$23,617,284 and \$40,884,108, respectively, none was restricted by enabling legislation.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and all major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. Any differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis).

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
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**Note 4 – Deposits and Investments**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the Township lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the Township's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the Township's total average portfolio.

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
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**Note 4 – Deposits and Investments (continued)**

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

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

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

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

*Deposits:*

At December 31, 2007 and 2006, the Township's bank balances of \$15,177,749 and \$8,907,147, respectively, were either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner described above.



Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

*Investments:*

At December 31, 2007 and 2006, the Township had the following investments:

Investment Type	Fair Value	Less Than One Year	One to Two Years
<u>2007</u>			
STAR Ohio	\$13,746,076	\$13,746,076	\$0
FHLB Bonds	2,000,620	2,000,620	0
Fifth Third Institutional Government Money Market Fund	6,176,310	6,176,310	0
First American Treasury Obligations Money Market Fund	2,568,295	2,568,295	0
Sweep Accounts	2,785,190	2,785,190	0
Total	<u>\$27,276,491</u>	<u>\$27,276,491</u>	<u>\$0</u>
<u>2006</u>			
STAR Ohio	\$14,441,485	\$14,441,485	\$0
FHLB Bonds	7,462,671	5,482,051	1,980,620
FNMA Notes	4,466,250	4,455,250	0
FHLMC Notes	6,970,380	6,970,380	0
Fifth Third Institutional Government Money Market Fund	3,821,406	3,821,406	0
First American Treasury Obligations Money Market Fund	2,457,581	2,457,581	0
Sweep Accounts	8,200,981	8,200,981	0
Total	<u>\$47,820,754</u>	<u>\$45,840,134</u>	<u>\$1,980,620</u>

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

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

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

*Concentration of Credit Risk.* The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of total of each investment type held by the Township at December 31, 2007 and 2006:

Investment Type	Fair Value	% of Total
<u>2007</u>		
STAR Ohio	\$13,746,076	51%
FHLB Bonds	2,000,620	7%
Fifth Third Institutional Government Money Market Fund	6,176,310	23%
First American Treasury Obligations Money Market Fund	2,568,295	9%
Sweep Accounts	2,785,190	10%
Total	\$27,276,491	100%
<u>2006</u>		
STAR Ohio	\$14,441,485	30%
FHLB Bonds	7,462,671	16%
FNMA Notes	4,466,250	9%
FHLMC Notes	6,970,380	15%
Fifth Third Institutional Government Money Market Fund	3,821,406	8%
First American Treasury Obligations Money Market Fund	2,457,581	5%
Sweep Accounts	8,200,981	17%
Total	\$47,820,754	100%

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

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is currently assessed at 12.5 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2007 and 2006 were \$11.87 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

	2007	2006
Real Property		
Residential/Agricultural	\$1,085,808,990	\$1,070,800,000
Other	101,521,870	99,084,000
Public Utility Property		
Personal	18,801,250	22,636,000
Tangible Personal Property	30,839,710	39,766,000
Total Assessed Value	\$1,236,971,820	\$1,232,286,000

**Note 6 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2007 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTAMRA is as follows:

Legal Liability	\$3,000,000	Per Occurrence
Automobile Liability	3,000,000	Per Occurrence
Law Enforcement Operations	N/A	Per Occurrence
Wrongful Acts	3,000,000	Per Occurrence
Property	2,265,400	Total Coverage
Boiler and Machinery	2,543,825	Limit

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

**Note 7 – Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer 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 the member and vested employer contributions plus any investment earnings.

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

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.

OPER 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, including post-employment health care coverage. 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, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Township's pension contributions for 2007 and 2006 were 13.85% and 13.70% of covered payroll, respectively. The member contribution rates for 2007 and 2006 were 9.5% and 9.0%, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005, were \$232,559, \$208,194, and \$188,036 respectively. The full amount has been contributed for 2007, 2006 and 2005. Contributions to the member-directed plan for 2007 were \$31,591 made by the Township and \$21,669 made by the plan members.

**Ohio Police and Fire Pension Fund**

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The Township's contributions to OP&F for the years ending December 31, 2007, 2006, and 2005 were \$1,068,951, \$1,009,822, and \$940,699 respectively. The full amount has been contributed for 2007, 2006 and 2005.

**Note 8 – Post-Employment Benefits**

**Ohio Public Employees Retirement System**

- A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – 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 healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualified 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.

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
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**Note 8 – Post-Employment Benefits (continued)**

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statements 12 and 45.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate was 13.85% and 13.70% of covered payroll for fiscal years 2007 and 2006, respectively; the portion of employer contributions allocated to health care was 5% from January 1 through June 30, 2007 and 6% from July 1 through December 31, 2007 and 4.5% for 2006.

- B. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of post employment health care benefits. 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.

- C. Summary of Assumptions:

Actuarial Review – The assumptions and calculations below were based on OPERS' latest actuarial review, performed as of December 31, 2006.

Funding Method – An individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually; not to exceed a 12% corridor.

Investment Return – The investment assumption rate for 2006 (the latest available) was 6.50%.

Active Employee Total Payroll – An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 5% for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase at 4% (the projected wage inflation rate).

Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

D. OPEBs are advance-funded on an actuarially determined basis. The following disclosures are required:

1. The number of active contributing participants in the Traditional Pension and Combined Plans totaled 374,979 as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130.
2. The employer contributions that were used to fund post-employment benefits were \$33,695 for 2007.
3. The amount of \$12.0 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2006.
4. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2006, reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB at \$30.7 billion and \$18.7 billion, respectively.

E. OPERS Retirement Board Implements its Health Care Preservation Plan:

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

**Ohio Police and Fire Pension Fund**

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

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

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

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

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

Anderson Township, Hamilton County  
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**Note 8 – Post-Employment Benefits (continued)**

OP&F's post employment healthcare plan was established and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F board of trustees. The board of trustees authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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

The Township's contributions to OP&F for the years ended December 31, 2007, 2006, and 2005 were \$1,068,951, \$1,009,822, and \$940,699, respectively, of which \$300,375, \$326,173, and \$303,846, respectively, was allocated to the healthcare plan.

**Note 9 – Debt**

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<b>Governmental Activities</b>						
Assessment Limited Tax Bonds	5.50%	\$12,833	\$0	\$12,833	\$0	\$0
OPWC-Forrest	3.00%	442,668	0	57,732	384,936	59,477
OPWC-Ayershire/Wilshire/Sunray	3.00%	506,621	0	53,165	453,456	54,772
OPWC-Sherman/Coolidge/ Brooke/Shirmer	3.00%	692,649	0	72,687	619,962	74,883
OPWC-Collinspark	3.00%	609,551	0	63,966	545,585	65,900
Bond Anticipation Notes	4.75%	30,315,000	0	30,315,000	0	0
Various Purpose Bonds	4.00%-5.00%	0	29,470,000	990,000	28,480,000	1,685,000
		<u>\$32,579,322</u>	<u>\$29,470,000</u>	<u>\$31,565,383</u>	<u>\$30,483,939</u>	<u>\$1,940,032</u>

	Interest Rate	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<b>Governmental Activities</b>						
Assessment Limited Tax Bonds	5.50%	\$25,666	\$0	\$12,833	\$12,833	\$12,833
OPWC-Forrest	3.00%	498,706	0	56,038	442,668	57,732
OPWC-Ayershire/Wilshire/Sunray	3.00%	558,226	0	51,605	506,621	53,165
OPWC-Sherman/Coolidge/ Brooke/Shirmer	3.00%	763,203	0	70,554	692,649	72,687
OPWC-Collinsdale	3.00%	671,641	0	62,090	609,551	63,966
Bond Anticipation Notes	4.75%	0	30,315,000	0	30,315,000	30,315,000
		<u>\$2,517,442</u>	<u>\$30,315,000</u>	<u>\$253,120</u>	<u>\$32,579,322</u>	<u>\$30,575,383</u>

The Township issued Assessment Limited Tax Bonds on September 30, 1997, for \$128,327 for the improvement of Lawyer's Pointe Drive. Interest and principal payments are due semiannually to Firststar Bank. The bonds are collateralized by the Township's taxing authority.

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

Anderson Township, Hamilton County  
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**Note 9 – Debt (continued)**

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

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

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

The Township issued bond anticipation notes in 2006 in the amount of \$30,315,000 for the purpose of constructing an administrative center. These notes were repaid with bonds issued in 2007.

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

The following is a summary of the Township's future annual debt service requirements as of December 31, 2007:

Year	Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$1,685,000	\$1,275,370	\$2,960,370	\$255,032	\$50,511	\$305,543
2009	1,755,000	1,207,970	2,962,970	262,741	42,570	305,311
2010	1,825,000	1,137,770	2,962,770	270,682	34,389	305,071
2011	1,900,000	1,064,770	2,964,770	278,864	25,960	304,824
2012	1,975,000	988,770	2,963,770	287,292	17,277	304,569
2013-2017	11,220,000	3,592,650	14,812,650	649,328	10,653	659,981
2018-2020	8,120,000	765,610	8,885,610	0	0	0
Totals	<u>\$28,480,000</u>	<u>\$10,032,910</u>	<u>\$38,512,910</u>	<u>\$2,003,939</u>	<u>\$181,360</u>	<u>\$2,185,299</u>



Anderson Township, Hamilton County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 10 – Interfund Transactions**

Transfers made during the years ended December 31, 2007 and 2006, were as follows:

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>2007</u>		
Major Funds:		
General Fund	\$0	\$1,841,824
General Bond/Note Retirement Fund	1,289,653	0
Total Major Funds	1,289,653	1,841,824
Non-Major Funds:		
Zoning Fund	510,000	0
Greenspace Fund	30,109	0
MVL Tax Fund	471	0
Gasoline Fund	1,070	0
Permissive MVL Tax Fund	10,495	0
Unclaimed Monies Fund	26	0
Total Non-Major Funds	552,171	0
Total All Funds	\$1,841,824	\$1,841,824
<u>2006</u>		
Major Funds:		
General Fund	\$0	\$623,710
Total Major Funds	0	623,710
Non-Major Funds:		
Zoning Fund	600,000	0
Greenspace Fund	17,516	0
MVL Tax Fund	421	0
Gasoline Fund	428	0
Permissive MVL Tax Fund	5,345	0
Total Non-Major Funds	623,710	0
Total All Funds	\$623,710	\$623,710

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

# BALESTRA, HARR & SCHERER, CPAS, INC.

528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

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Telephone (740) 289-4131  
Fax (740) 289-3639  
[www.bhscpas.com](http://www.bhscpas.com)

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## **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***

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson Township, Hamilton County, Ohio, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 31, 2008, wherein we noted the Township used a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

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

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township'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 Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the accounting basis described in Note 2 such that there is more than a remote likelihood that the Township's internal controls will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the Township'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.

### Compliance and Other Matters

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

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



Balestra, Harr & Scherer, CPAs, Inc.  
October 31, 2008

**ANDERSON TOWNSHIP  
HAMILTON COUNTY  
DECEMBER 31, 2007 AND 2006**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2005-001	ORC Section 5705.09. The Township did not establish funds as required.	Yes	



**Mary Taylor, CPA**  
Auditor of State

**ANDERSON TOWNSHIP**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 10, 2009**