

Anderson Township Park District Hamilton County, Ohio

**For the Year Ended December 31, 2015
Annual Financial Report**



Our Mission Statement

Anderson Township Park District is dedicated to providing Anderson Township residents with quality parks, facilities, and programs.



Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Anderson Township Park District, Hamilton County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 22, 2016

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Anderson Township Park District
Hamilton County, Ohio

Annual Financial Report

For the Year Ended December 31, 2015

Issued By:

Department of Finance

Brian Jordan
Financial Officer

Introductory Section

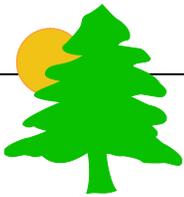
Anderson Township Park District
Hamilton County
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ANDERSON TOWNSHIP PARK DISTRICT

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May 10, 2016

Members of the Board of Park Commissioners and the Citizens of Anderson Township:

The management of the Anderson Township Park District is pleased to provide this annual financial report to its citizens and other interested parties to demonstrate its accountability and communicate the Park District's financial position and resource flows as of and for the year ended December 31, 2015. The Management of the Park District is responsible for the fair presentation of this annual financial report, for maintaining appropriate internal control over financial reporting, and for complying with applicable finance-related laws, regulations, and provisions of grants and contracts. The Park District reports its financial statements on a modified cash basis; which management has determined is an acceptable financial reporting framework that differs from generally accepted account Principles (GAAP). All of the financial analyses in the report should take into consideration the limitations inherent in the modified cash basis of accounting.

Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Charles E. Harris & Associates, Inc. has issued their opinion on these financial statements which includes an unmodified ("clean") opinion on the Park District's financial statements for the year ended December 31, 2015. The independent auditor report is located at the front of the financial section of this report.

Profile of Anderson Township Park District

The Anderson Township Park District is located in Anderson Township, approximately 12 miles east of Cincinnati, within the southeast corner of Hamilton County in Ohio. Over 500 acres of parkland comprise the Park District, situated within the Township's 31.2 square miles. The population of Anderson Township, according to the 2010 census, is 43,553 with a median household income (2010) of \$82,301.

The idea for the Anderson Township Park District began in 1970 when the Anderson Hills Community Council petitioned the Anderson Township Trustees to form a park district. The first park board created a plan for public parks in Anderson Township and bore the park district by the passage of referendum in 1975.

Today, the Anderson Township Park District is an independent governmental agency, known for its year-round schedule of activities that contribute to health, fitness, relaxation, enjoyment, learning, and community fellowship. It is our goal to provide these quality services in the most efficient, cost effective manner possible while striving for customer service excellence and continued quality.

The Anderson Township Park District owns and operates eight parks. Inside these parks you will find award-winning playgrounds, hike/bike trails, athletic fields, courts for volleyball, tennis, and basketball, open space, and wooded areas. There is also a 15,000 square foot skatepark and a 4 acre off-leash area for dogs. For indoor activities and events, the Anderson Township Park District leases and manages the Beech Acres Park RecPlex.

Overseeing the Anderson Township Park District is the Board of Commissioners, composed of five Anderson Township Residents. The Commissioners are appointed by the Anderson Township Trustees for a three year term of office. This volunteer, policy-making board is responsible for establish and maintaining Park District policy and providing direction the staff of the Park District.

Economic Outlook

The Anderson Township Park District receives an estimated 62 percent of their revenue from property taxes and the remaining 38 percent is generated through programs, fees, rentals, and other revenue. The residents of Anderson Township renewed a 10 year 1.9 mil operation levy for the Park District in 2008.

The unemployment rate in Hamilton County decreased in 2015. The value of real estate in Anderson Township has increased in 2015.

Long-Term Financial Planning

The Anderson Township Park District annually updates its financial forecast which projects budgeted and project revenues and expenditures for the duration of the current levy (2018).

Financial Analysis

The financial statements are reported using the modified cash basis of accounting. Under this basis of accounting, only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized, except as follows:

- (1) Interfund receivables and payables that arise from transaction and events involving cash or cash equivalents are recognized;
- (2) Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivable resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivable. Additionally, capital assets such as property, equipment, and infrastructure are not reported on the face of the financial statements. However, the government's long-term debt obligations are disclosed in the notes to the financial statements.

Table 1 provides a summary of the Park District's net position for 2015 compared to 2014 on a modified cash basis:

Table 1
Net Position – Modified Cash Basis

	Governmental Activities		
	2015	2014	Change
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,448,892	\$1,443,440	\$5,452
Net Position:			
Restricted	3,862	3,730	132
Unrestricted	1,445,030	1,439,710	5,320
<i>Total Net Position</i>	<u>\$1,448,892</u>	<u>\$1,443,440</u>	<u>\$5,452</u>

Net position increased an immaterial amount during 2015. The increase is due to revenues exceeding expenses.

A portion of the Park District's net position represents resources subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position may be used to meet the Park District's ongoing activities.

Table 2 reflects the changes in net position in 2015 and 2014.

Table 2
Changes in Net Position

	Governmental Activities		
	2015	2014	Change
Revenues:			
Program Cash Revenues:			
Charges for Services	\$956,779	\$997,138	(\$40,359)
Operating Grants and Contributions	77,694	153,634	(75,940)
Total Program Cash Revenues	<u>1,034,473</u>	<u>1,150,772</u>	<u>(116,299)</u>
General Revenues:			
Property Taxes Levied for			
General Purposes	2,326,399	2,311,640	14,759
Grants and Entitlements not Restricted			
to Specific Programs	343,914	343,126	788
Investment Earnings	414	413	1
Miscellaneous	63,847	77,159	(13,312)
Proceeds From the Sale of Capital Assets	32,734	0	32,734
Total General Revenues	<u>2,767,308</u>	<u>2,732,338</u>	<u>34,970</u>
<i>Total Revenues</i>	<u>\$3,801,781</u>	<u>\$3,883,110</u>	<u>(\$81,329)</u>

(continued)

Table 2
Changes in Net Position

	Governmental Activities		
	2015	2014	Change
Expenses:			
Conservation and Recreation	\$2,984,664	\$3,063,740	(\$79,076)
Capital Outlay	385,012	257,815	127,197
Debt Service:			
Principal Retirement	397,969	383,254	14,715
Interest and Fiscal Charges	28,684	35,661	(6,977)
<i>Total Expenses</i>	<u>3,796,329</u>	<u>3,740,470</u>	<u>55,859</u>
<i>Change in Net Position</i>	5,452	142,640	(137,188)
<i>Net Position at Beginning of Year</i>	<u>1,443,440</u>	<u>1,300,800</u>	<u>142,640</u>
<i>Net Position at End of Year</i>	<u><u>\$1,448,892</u></u>	<u><u>\$1,443,440</u></u>	<u><u>\$5,452</u></u>

In 2015, 73 percent of the Park District's total revenues were from general revenues, consisting mainly of property taxes levied for general Park District purposes. The remaining 27 percent of the Park District's total revenues were from program specific revenues consisting of charges for services, fees, and operating grants and contributions. Charges for services decreased \$40,359 due to the Park District receiving a one-time rental payment in 2014 and not in 2015. Operating grants and contributions decreased \$75,940 due to the Park District having fewer projects and receiving less in grants and contributions from 2014. The increase in proceeds from sale of capital assets is due to an auction during 2015.

Total expenses increased \$55,859 in 2015. The decrease in conservation and recreation expenses is due to the Park District closely monitoring expenses in 2015. The increase in capital outlay expenses was the result of the Park District purchasing new land in 2015.

Fund Analysis

At the end of 2015, the Park District's governmental funds reported total ending fund balances of \$1,448,892 of which \$1,389,358 is unassigned. The unassigned portion is not restricted and is available for spending. The remainder of fund balance is restricted, committed or assigned to indicate it is not available for new spending.

The General Fund is the chief operating fund of the Park District. At the end of 2015, unassigned fund balance in the General Fund was \$1,389,358. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 39.67 percent of the total General Fund expenditures.

Revenues and other financing sources exceeded expenditures in the General Fund by \$5,320 in 2015. Property taxes account for 58 percent of revenues in the General Fund. Intergovernmental revenues consist of payments from the state to the Park District. Conservation and recreation, and capital outlay account for all of the expenditures in the General Fund.

The Debt Service Fund had a fund balance of \$3,862 at the end of 2015. The Debt Service Fund had principal retirements of \$267,335 and interest and fiscal charges of \$26,763.

General Fund Budgeting Highlights

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

During the course of 2015, the Park District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. For the General Fund, the final budget basis revenues estimated at year-end increased from the original estimates prepared in January by \$178,787. Property tax revenues increased \$155,488 and all other receipts had a cumulative increase of \$23,299. Actual revenues were \$9,989 lower than the final budgeted revenues.

Final appropriated expenditures were \$686,375 lower than originally budgeted. Actual expenses were \$149,876 less than the final budgeted amounts. Most of the difference was the result of lower conservation and recreation expenses.

Debt

At December 31, 2015 the Park District had \$515,625 in outstanding bonds payable. The Park District paid \$267,335 in principal on the bonds during fiscal year 2015. The Park District also had outstanding capital leases of \$195,730.

Awards and Acknowledgements

This is the first year that the Park District has submitted a report to the Government Finance Officers Association (GFOA) for the prestigious Award for Small Government Cash Basis Reports. In order to receive an Award for Small Government Cash Basis Reports, the Park District has to publish an easily readable and efficiently organized Small Government Annual Financial Report that satisfies Award Program requirements.

An Award for Small Government Cash Basis Reports is valid for a period of one year only. We believe that our current financial report meets that Award for Small Government Cash Basis Reports' requirements, and we are submitting it to the GFOA to determine its eligibility for the award.

The preparation of this report could not have been accomplished without the efficient and dedicated service of various staff within the Park District. Their efforts are greatly appreciated. Credit must also be given to the Board of Park Commissioners for their support for maintaining the highest standards of professionalism in the management of the Park District's finances.



Brian Jordan
Financial Officer

ANDERSON TOWNSHIP PARK DISTRICT

List of Principal Officials at December 31, 2015

BOARD OF COMMISSIONERS (Appointed)

Board President	Dale Bartholomew
Commissioner	Nadine Gelter
Commissioner	Rob Herking
Commissioner	Angie Stocker
Commissioner	Tom Turchiano

ADMINISTRATIVE STAFF

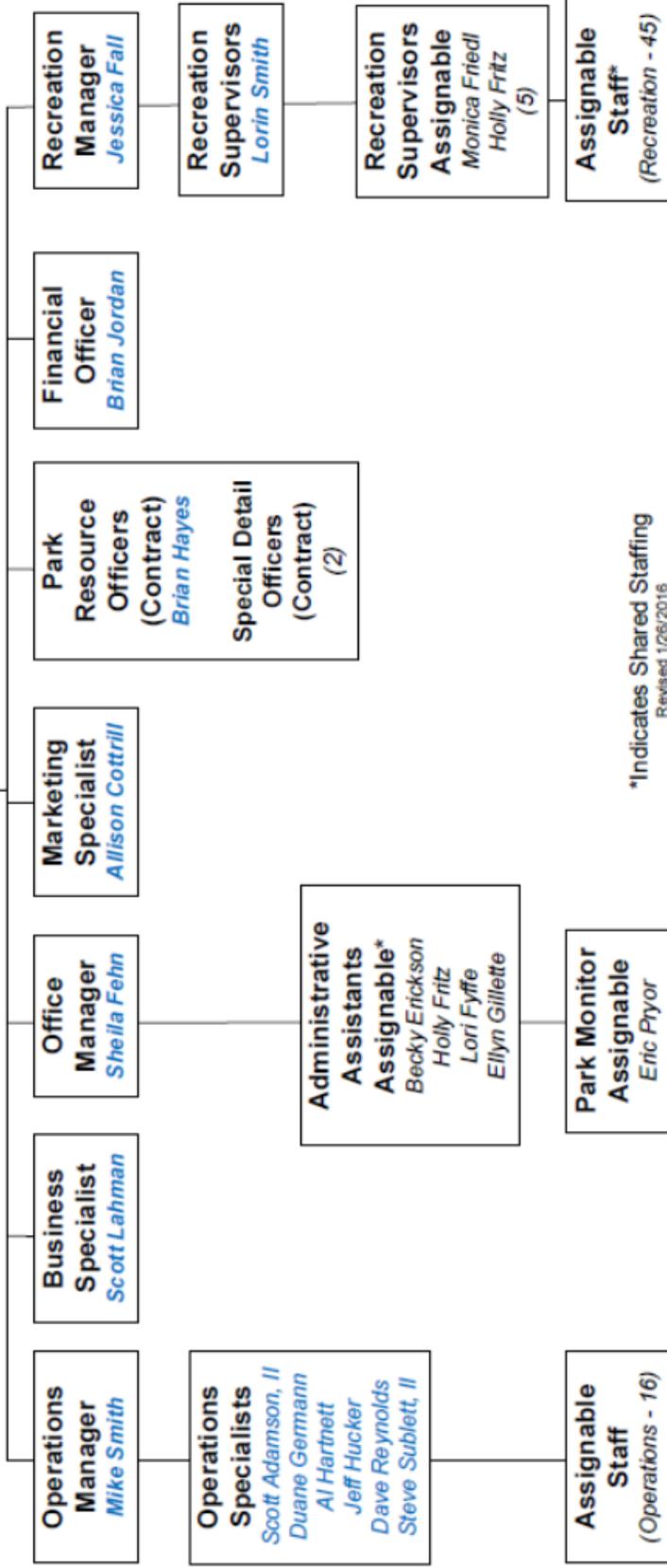
Executive Director	Ken Kushner
Assistant Director	Emily Armstrong
Operations Manager	Mike Smith
Business Specialist	Scott Lahman
Office Manager	Sheila Fehn
Marketing Specialist	Allison Cottrill
Park Resource Officer	Deputy Brian Hayes
Financial Officer	Brian Jordan
Recreation Manager	Jessica Fall

ANDERSON TOWNSHIP RESIDENTS

BOARD OF PARK COMMISSIONERS
Dale Bartholomew, Nadine Gelter, Robert Herking, Angie Stocker, Tom Turchiano
 (APPOINTED BY Anderson Township Trustees)

EXECUTIVE DIRECTOR
Ken Kushner

ASSISTANT DIRECTOR / BOARD CLERK
Emily Armstrong



*Indicates Shared Staffing
 Revised 1/26/2016

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Financial Section

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities and each major fund of the Anderson Township Park District, Hamilton County, Ohio (the District), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities and each major fund of the Anderson Township Park District, Hamilton County, Ohio, as of December 31, 2015, and the respective changes in modified cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As Discussed in Note 7 to the financial statements, during the year ended December 31, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. We did not modify our opinion regarding this matter.

Other Matters

Supplementary and Other Information

We audited to opine on the District's financial statements that collectively comprise its basic financial statements.

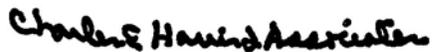
The introductory section, the financial section's individual debt service fund budgetary schedule and the trend information present additional analysis and are not a required part of the basic financial statements.

The debt service budgetary schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section presented on pages 3-9 of the report and the trend information presented on pages 35-39 of the report to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2016 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
May 10, 2016

BASIC FINANCIAL STATEMENTS

Anderson Township Park District
Hamilton County
Statement of Net Position - Modified Cash Basis
December 31, 2015

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,448,892</u></u>
Net Position:	
Restricted for:	
Debt Service	3,862
Unrestricted	<u>1,445,030</u>
<i>Total Net Position</i>	<u><u>\$1,448,892</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2015

	Program Cash Receipts			Net (Expenditures) Revenues and Changes in Net Position
	Cash Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Current:				
Conservation and Recreation	\$2,984,664	\$956,779	\$77,694	(\$1,950,191)
Capital Outlay	385,012	0	0	(385,012)
Debt Service:				
Principal Retirement	397,969	0	0	(397,969)
Interest and Fiscal Charges	28,684	0	0	(28,684)
<i>Total Governmental Activities</i>	<u>\$3,796,329</u>	<u>\$956,779</u>	<u>\$77,694</u>	<u>(2,761,856)</u>
General Revenues:				
Property Taxes Received for General Purposes				2,326,399
Grants and Entitlements not Restricted to Specific Programs				343,914
Investment Earnings				414
Miscellaneous				63,847
Proceeds from the Sale of Capital Assets				32,734
<i>Total General Revenues</i>				<u>2,767,308</u>
<i>Change in Net Position</i>				5,452
<i>Net Position at Beginning of Year</i>				<u>1,443,440</u>
<i>Net Position at End of Year</i>				<u>\$1,448,892</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Balance Sheet - Modified Cash Basis
Governmental Funds
December 31, 2015

	General Fund	Debt Service Fund	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,445,030	\$3,862	\$1,448,892
Fund Balance:			
Restricted	\$0	\$3,862	\$3,862
Committed	27,493	0	27,493
Assigned	28,179	0	28,179
Unassigned	1,389,358	0	1,389,358
<i>Total Fund Balances</i>	\$1,445,030	\$3,862	\$1,448,892

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2015

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Property Taxes	\$2,032,169	\$294,230	\$2,326,399
Investment Earnings	414	0	414
Intergovernmental	421,608	0	421,608
Charges for Services	843,793	0	843,793
Fees	112,986	0	112,986
Miscellaneous	63,847	0	63,847
<i>Total Revenues</i>	<u>3,474,817</u>	<u>294,230</u>	<u>3,769,047</u>
Expenditures:			
Current:			
Conservation and Recreation	2,984,664	0	2,984,664
Capital Outlay	385,012	0	385,012
Debt Service:			
Principal Retirement	130,634	267,335	397,969
Interest and Fiscal Charges	1,921	26,763	28,684
<i>Total Expenditures</i>	<u>3,502,231</u>	<u>294,098</u>	<u>3,796,329</u>
<i>Excess of Revenues Under Expenditures</i>	(27,414)	132	(27,282)
Other Financing Sources:			
Proceeds from Sale of Capital Assets	<u>32,734</u>	<u>0</u>	<u>32,734</u>
<i>Net Change in Fund Balances</i>	5,320	132	5,452
<i>Fund Balances at Beginning of Year</i>	<u>1,439,710</u>	<u>3,730</u>	<u>1,443,440</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,445,030</u></u>	<u><u>\$3,862</u></u>	<u><u>\$1,448,892</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$1,876,681	\$2,032,169	\$2,032,169	\$0
Investment Earnings	400	414	414	0
Intergovernmental	454,838	421,608	421,608	0
Charges for Services	809,100	822,121	843,793	21,672
Fees	102,000	112,440	112,986	546
Miscellaneous	63,000	96,054	63,847	(32,207)
<i>Total Revenues</i>	3,306,019	3,484,806	3,474,817	(9,989)
Expenditures:				
Current:				
Conservation and Recreation				
Salaries	1,777,460	1,420,500	1,382,644	37,856
Fringe Benefits	503,555	402,428	382,875	19,553
Purchased Services	1,179,033	942,253	875,506	66,747
Materials & Supplies	258,501	206,587	192,975	13,612
Other	259,050	207,026	200,757	6,269
<i>Total Conservation and Recreation</i>	3,977,599	3,178,794	3,034,757	144,037
Capital Outlay	284,000	396,430	390,591	5,839
Debt Service:				
Principal Retirements	130,634	130,634	130,634	0
Interest and Fiscal Charges	1,921	1,921	1,921	0
<i>Total Expenditures</i>	4,394,154	3,707,779	3,557,903	149,876
<i>Excess of Revenues Under Expenditures</i>	(1,088,135)	(222,973)	(83,086)	139,887
Other Financing Uses:				
Proceeds from Sale of Capital Assets	0	0	32,734	32,734
<i>Net Change in Fund Balance</i>	(1,088,135)	(222,973)	(50,352)	139,887
<i>Fund Balance at Beginning of Year</i>	1,368,020	1,368,020	1,368,020	0
<i>Prior Year Encumbrances Appropriated</i>	71,690	71,690	71,690	0
<i>Fund Balance at End of Year</i>	\$351,575	\$1,216,737	\$1,389,358	\$139,887

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 – Reporting Entity

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

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

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

Component Units

Component units are legally separate organizations for which the Park District is financially accountable. The Park District is financially accountable for an organization if the Park District appoints a voting majority of the organization's governing board and (1) the Park District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Park District is legally entitled to or can otherwise access the organization's resources; the Park District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Park District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Park District in that the Park District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Park District. The Park District has no component units.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a 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. Following are the more significant of the Park District's accounting policies.

Basis of Accounting

The Park District's financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognized revenues, expenses, assets and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

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Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (and cash equivalents) during the period are recognized, except as follows:

- (1) Interfund receivables and payables that arise from transaction and events involving cash or cash equivalents are recognized;
- (2) Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivable resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivable. Additionally, capital assets such as property, equipment, and infrastructure are not reported on the face of the financial statements. However, the government's long-term debt obligations are disclosed in the notes to the financial statements.

Basis of Presentation

The Park District's basic financial statements consist of government-wide financial statements, including a Statement of Net Position-Modified Cash Basis and a Statement of Activities-Modified Cash Basis, and fund financial statements which provide a more detailed level of financial information. The Park District had no internal activity to eliminate from the government wide financial statements.

Government-Wide Financial Statements

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

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

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Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

Debt Service Fund - The Debt Service Fund accounts for and reports resources restricted for the payment of bond debt.

Budgetary Process

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

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

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

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represents the final appropriations passed by the Board of Commissioners during the year, including all supplemental appropriations.

Cash and Investments

To improve cash management, cash received by the Park District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Park District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Park District are presented on the financial statements as cash and cash equivalents.

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

The Park District's cash and cash equivalents are considered to be cash on hand, demand deposits and savings accounts, and are valued at cost. The Park District does not have any investments.

Employer Contributions to Cost-Sharing Pension Plans

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

Net Position

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

Fund Balance

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

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

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

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For the Year Ended December 31, 2015

constitutional provisions. Restricted fund balance represents those amounts restricted for debt service.

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Park Commissioners or a Park District official delegated that authority by resolution, or by State Statute. State statute authorized the financial officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Assigned amounts in the General Fund represent purchases on order.

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

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

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	General
Cash Basis	\$5,320
Encumbrances	(55,672)
Budget Basis	(\$50,352)

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio or Ohio Local Governments;
6. The State Treasurer’s investment pool (STAROhio); and,

Anderson Township Park District
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For the Year Ended December 31, 2015

7. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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

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

The Park District does not have any investments.

Note 5 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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

Public utility tangible personal property currently is assessed at varying percentages of true values; public utility real property is assessed at 35 percent of true value. 2015 public utility taxes which became a lien December 31, 2014, are levied after October 1, 2015 and are collected in 2016 with real property taxes.

The full tax rate for all Park District operations for the year ended December 31, 2015, was \$2.28 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$1,102,290,000
Public Utility Personal	24,560,000
Total	\$1,126,850,000

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 6 – Risk Management

Ohio Plan Risk Management

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

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through 14 appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5 percent (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10 percent of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50 percent of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2013 (the latest information available).

	2014	2013
Assets	\$14,830,185	\$13,774,304
Liabilities	<u>(8,942,504)</u>	<u>(7,968,395)</u>
Members' Equity	<u>\$5,887,681</u>	<u>\$5,805,909</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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Notes to the Basic Financial Statements
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Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description – Park District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Park District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Park District's contractually required contribution was \$125,160 for 2015. The Park District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2015, 2014, and 2013 were \$125,160, \$120,728, and \$116,320, respectively. The full amount has been contributed for all three years.

Note 8 – Post-Employment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The

Anderson Township Park District
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

Substantially all of the Park District's contributions allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$50,064, \$48,291, and \$46,528, respectively. The full amount has been contributed for all three years.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 9 – Debt

The Park District’s long-term debt activity for the year ended December 31, 2015, was as follows:

	Principal Outstanding 12/31/14	Additions	Deductions	Principal Outstanding 12/31/15	Amounts Due Within One Year
<u>Governmental Activities</u>					
G.O. Bonds 2010 06-A-01 - Riverside Park	\$721,875	\$0	\$206,250	\$515,625	\$206,250
G.O. Bonds 2011 - Clear Creek Park Expansion	61,085	0	61,085	0	0
Total General Obligation Bonds	<u>782,960</u>	<u>0</u>	<u>267,335</u>	<u>515,625</u>	<u>206,250</u>
<u>Other Long-Term Obligations</u>					
Capital Lease Payable	126,364	200,000	130,634	195,730	129,071
Total Long-Term Obligations	<u>\$909,324</u>	<u>\$200,000</u>	<u>\$397,969</u>	<u>\$711,355</u>	<u>\$335,321</u>

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

The Park District issued a General Obligation Park Improvement Bond on August 19, 2011 in the amount of \$300,000. The bonds bear interest at a rate of 1.78 percent over a period of 5 years. The bonds were issued to improve existing parks by purchasing additional land located in the Park District. Interest and principal payments are due semi-annually to Fifth Third Bank. The bonds are collateralized by the property and were paid off in 2015 with property tax revenues.

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

General Obligation Bonds		
Year	Principal	Interest
2016	\$206,250	\$17,867
2017	206,250	17,867
2018	103,125	1,985
Total	<u>\$515,625</u>	<u>\$37,719</u>

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

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

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

As a result of the use of the modified cash basis of accounting in this report, obligations related to accrued compensated absences and net pension liability are not reported as liabilities in the financial statements. Expenses related to compensated absences and pension funding are recorded when paid.

Note 10 – Leases

Capital Leases

The Park District leases equipment to be used to maintain park property. Total costs were \$132,555 for the year ended December 31, 2015. The future minimum lease payments are as follows:

Year Ending December 31,	
2016	\$132,555
2017	67,919
	200,474
Less: Amount Representing Interest	(4,744)
Present Value of Minimum Lease Payments	\$195,730

Note 11 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year are as follows:

General Fund	\$55,672
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NOTE 12 – Contingent Liabilities

Litigation

The Park District is not party to any legal proceedings.

Federal and State Grants

For the period January 1, 2015, to December 31, 2015, the Park District received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Park District believes such disallowance, if any, would be immaterial.

**Supplementary and Other Information Accompanying the
Basic Financial Statements**

Anderson Township Park District
Hamilton County
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$294,230	\$294,230	\$294,230	\$0
Expenditures:				
Debt Service:				
Principal Retirements	267,335	267,335	267,335	0
Interest and Fiscal Charges	26,895	26,895	26,763	132
<i>Total Expenditures</i>	<u>294,230</u>	<u>294,230</u>	<u>294,098</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	132	132
<i>Fund Balance at Beginning of Year</i>	3,730	3,730	3,730	0
<i>Fund Balance at End of Year</i>	<u><u>\$3,730</u></u>	<u><u>\$3,730</u></u>	<u><u>\$3,862</u></u>	<u><u>\$132</u></u>

Trend Information

This part of the Anderson Township Park District's annual financial report presents detailed information as the context for understanding what the information in the financial statements and note disclosures says about the Park District's overall financial health.

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Financial Trends These schedules contain trend information to help the reader understand how the Park District's financial performance and well-being has changed over time.	35-38
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Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant fiscal years.

Anderson Township Park District
Hamilton County
 Net Position by Component
 Last Five Years
 (Modified Cash Basis)

	2015	2014	2013	2012	2011
Governmental Activities:					
Restricted	\$3,862	\$3,730	\$3,487	\$3,245	\$3,124
Unrestricted	1,445,030	1,439,710	1,297,313	970,445	1,466,404
<i>Total Net Position</i>	\$1,448,892	\$1,443,440	\$1,300,800	\$973,690	\$1,469,528

Anderson Township Park District
Hamilton County
Changes in Net Position
Last Five Years
(Modified Cash Basis)

	2015	2014	2013	2012	2011
Expenses:					
Governmental Activities:					
Conservation and Recreation	\$2,984,664	\$3,063,740	\$2,902,547	\$3,115,473	\$3,370,732
Capital Outlay	385,012	257,815	32,511	506,515	118,394
Debt Service:					
Principal	397,969	383,254	366,237	449,586	374,345
Interest and Fiscal Charges	28,684	35,661	48,855	65,319	77,048
<i>Total Governmental Activities</i>	<u>\$3,796,329</u>	<u>\$3,740,470</u>	<u>\$3,350,150</u>	<u>\$4,136,893</u>	<u>\$3,940,519</u>
Program Revenues:					
Charges for Services					
Conservation and Recreation	956,779	997,138	884,800	895,019	801,594
Operating Grants and Contributions	77,694	153,634	29,148	58,353	151,272
<i>Total Program Revenues</i>	<u>1,034,473</u>	<u>1,150,772</u>	<u>913,948</u>	<u>953,372</u>	<u>952,866</u>
<i>Net Expense (Revenue)</i>	<u>(2,761,856)</u>	<u>(2,589,698)</u>	<u>(2,436,202)</u>	<u>(3,183,521)</u>	<u>(2,987,653)</u>
General Revenues:					
Governmental Activities					
Property Taxes	2,326,399	2,311,640	2,304,243	2,299,466	2,425,622
Grants and Entitlements not Restricted to Specific Programs	343,914	343,126	311,043	338,842	352,142
Investment Earnings	414	413	410	548	1,081
Miscellaneous	63,847	77,159	147,616	48,827	40,536
Proceeds from Sale of Bonds	0	0	0	0	300,000
Proceeds from Sale of Capital Assets	32,734	0	0	0	0
<i>Total General Revenues</i>	<u>2,767,308</u>	<u>2,732,338</u>	<u>2,763,312</u>	<u>2,687,683</u>	<u>3,119,381</u>
<i>Change in Net Position</i>	<u>\$5,452</u>	<u>\$142,640</u>	<u>\$327,110</u>	<u>(\$495,838)</u>	<u>\$131,728</u>

Anderson Township Park District
Hamilton County
Fund Balances of Governmental Funds
Last Five Years
(Modified Cash Basis)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Committed	\$27,493	\$39,192	\$34,487	\$17,430	\$39,727
Assigned	28,179	32,498	47,653	56,630	49,592
Unassigned	<u>1,389,358</u>	<u>1,368,020</u>	<u>1,215,173</u>	<u>896,385</u>	<u>1,377,085</u>
<i>Total General Fund</i>	<u>1,445,030</u>	<u>1,439,710</u>	<u>1,297,313</u>	<u>970,445</u>	<u>1,466,404</u>
Debt Service Fund:					
Restricted	<u>3,862</u>	<u>3,730</u>	<u>3,487</u>	<u>3,245</u>	<u>3,124</u>
<i>Total Governmental Funds</i>	<u>\$1,448,892</u>	<u>\$1,443,440</u>	<u>\$1,300,800</u>	<u>\$973,690</u>	<u>\$1,469,528</u>

Anderson Township Park District
Hamilton County
Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
Last Five Years
(Modified Cash Basis)

	2015	2014	2013	2012	2011
Revenues:					
Property Taxes	\$2,326,399	\$2,311,640	\$2,304,243	\$2,299,466	\$2,425,622
Investment Earnings	414	413	410	548	1,081
Intergovernmental	421,608	496,760	340,191	372,292	481,079
Charges for Services	843,793	858,366	801,647	806,641	725,550
Fees	112,986	138,772	83,153	88,378	76,044
Contribution and Donations	0	0	0	0	22,335
Miscellaneous	63,847	77,159	147,616	73,730	40,536
<i>Total Revenues</i>	<u>3,769,047</u>	<u>3,883,110</u>	<u>3,677,260</u>	<u>3,641,055</u>	<u>3,772,247</u>
Expenditures:					
Current:					
Conservation and Recreation	2,984,664	3,063,740	2,902,547	3,115,473	3,370,732
Capital Outlay	385,012	257,815	32,511	506,515	118,394
Debt Service:					
Principal Retirement	397,969	383,254	366,237	449,586	374,345
Interest and Fiscal Charges	28,684	35,661	48,855	65,319	77,048
<i>Total Expenditures</i>	<u>3,796,329</u>	<u>3,740,470</u>	<u>3,350,150</u>	<u>4,136,893</u>	<u>3,940,519</u>
Other Financing Sources:					
Proceeds from the Sale of Bonds	0	0	0	0	300,000
Proceeds from Sale of CapitalsAssets	32,734	0	0	0	0
<i>Total Other Financing Sources</i>	<u>32,734</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u>
<i>Net Change in Fund Balances</i>	<u>\$5,452</u>	<u>\$142,640</u>	<u>\$327,110</u>	<u>(\$495,838)</u>	<u>\$131,728</u>

Anderson Township Park District
Hamilton County
 Outstanding Long-Term Debt Obligations by Type
 Last Five Years

Fiscal Year	General Obligation Bonds	Capital Leases
2015	\$515,625	\$195,730
2014	782,960	126,364
2013	1,049,227	52,351
2012	1,415,464	170,686
2011	1,855,856	132,405

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***ANDERSON PARK DISTRICT
HAMILTON COUNTY***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014

**ANDERSON TOWNSHIP PARK DISTRICT
HAMILTON COUNTY
AUDIT REPORT
For the Years Ended December 31, 2015 and 2014**

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

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

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

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Anderson Township Park District, Hamilton County (the District), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 10, 2016, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We noted the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
May 10, 2016

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2013, reported no material citations or recommendations.

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Dave Yost • Auditor of State

ANDERSON TOWNSHIP PARK DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 4, 2016**